



Group annual integrated report UMG Groupe VYV

2020 FINANCIAL YEAR

GROUPE
vyv
Entrepreneur du
mieux-vivre

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Contents

Introduction.....	4
1. Management report	5
1.1 Principles of the UMG Groupe VYV	5
1.2 Financial market environment.....	6
1.3 Highlights.....	8
1.4 Profit and loss account	11
1.5 Balance sheet.....	17
1.6 Outlook and post-balance sheet events	21
1.7 Any other information.....	21
2. Combined financial statements	22
2.1 Balance sheet - Assets	22
2.2 Balance sheet - Liabilities	23
2.3 Profit and loss account	24
2.4 Off-balance sheet.....	25
3. Notes to the annual financial statements	26
3.1 Highlights.....	26
3.2 Combination perimeter	28
3.3 Accounting principles and valuation methods.....	34
3.4 Changes in accounting rules and methods or presentation.....	44
3.5 Notes to the balance sheet.....	45
3.6 Notes to the profit and loss account	61
4. Outlook and post-balance sheet events	68
5. Statutory auditors' fees	68
6. Additional information	68



Appendix 1. Financial statements of the UMG Groupe VYV	69
Balance sheet	69
Profit and loss account.....	71
 Appendix 2. Extract from the Groupe VYV Solvency and Financial Condition Report (SFCR)	 73
Perimeter	73
Summary.....	74



Introduction

This report is a compilation of the following French reports:

- Body of the report: **annual report on the combined financial statements of the UMG Groupe VYV – 2020 financial year**
- Appendix 1: financial statements of the UMG Groupe VYV - extract from the **financial report of the UMG Groupe VYV - 2020 financial year**
- Appendix 2: extract from the **Groupe VYV Solvency and Financial Condition Report – 2020 financial year**



1. Management report

1.1 Principles of the UMG Groupe VYV

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

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

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

- Harmonie Mutuelle
- Mutuelle Mare Gaillard
- MGEFI
- MGEN
- MGEN Filia
- MGEN Vie
- MNT
- SMACL Assurances

The mutual insurance company Chorum was disaffiliated on 1 January 2020, but remains within the combination perimeter of Groupe VYV; it has now been substituted by Harmonie Mutuelle.

1.1.1 Object of the UMG Groupe VYV

It currently groups together 7 mutual benefit insurance companies and a mutual insurance company, via an affiliation agreement, the purpose of which is to:

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

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

1.1.2 Commitment by the UMG towards the affiliates

The UMG promises the affiliated members that it will:

- Investigate and organise the implementation of strategic coordination, cooperation and the sharing of resources decided on by the Board of Directors of the UMG in the interest of the UMG and the affiliated members;
- Put in place the key functions (risk management, internal audit, compliance, actuarial function) within the UMG and, in consultation with the affiliated members, an appropriate system for running and coordinating these functions with the similar functions within each affiliated member;
- Work out group policies and ensure that these policies are in accord with the policies of each affiliated member;
- Investigate, propose and implement the financial solidarity mechanism in the interest of the UMG and the affiliated members;
- Take the steps required to ensure that the affiliated members comply with the commitments for implementing financial solidarity made under the Agreement;



- Analyse any requests by an affiliated member that are in line with the purpose of the Agreement, or of the UMG, and within this framework, give it the assistance, advice and support it requires.

1.1.3 Commitments by the affiliated members

The affiliated members undertake to:

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

1.1.4 Accounts' combination

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

1.2 Financial market environment

1.2.1 Macroeconomic environment

The health crisis we are going through made 2020 an extremely difficult year for the whole of the world economy. The introduction of the lockdown led to unprecedented stress on our ways of life, consumption patterns, and on the prospects for global growth. To deal with this dual crisis in supply and demand, involving a breakdown in supply chains and a halt in consumption, States and central banks very quickly put in place unprecedented support measures to keep our paralysed economies afloat. In fact, based on the experience of previous crises, in particular the subprime mortgage crisis and the sovereign debt crisis in Europe, central banks introduced widespread monetary easing with unprecedented speed and intensity. This aid increased the debt ratio of States and the size of central banks' balance sheets, causing concern about the economic stability of our countries. In France, the debt-to-GDP ratio was over 115% at the end of 2020 compared with less than 100% at the end of 2019. In the end, the extent of the crisis was far bigger than initially estimated, as France had to impose two lockdowns in 2020 and the situation is still very uncertain to date.

Regarding stock market valuations, after an exceptionally severe crisis in March, high-risk assets recovered thanks to massive injections of liquidity by central banks and the support of States, which enabled financial markets to emerge from this unprecedented economic crisis almost unscathed. The recovery was also driven by investors focussing on the hope of a vaccine being quickly developed, making it possible to end the pandemic and make way for a period of economic improvement. For instance, in the United States the S&P 500 rose by 16% and the Nasdaq increased by 44% during the year, driven by the technology sector which was able to take advantage of the crisis, following the example of Amazon and Netflix. As for France, after suffering the biggest drop in its history on 12 March, falling 12.3% in a single session, the CAC 40 only fell by 7% in 2020 whereas it dropped by 11% in 2018, which was a much better year from an economic point of view. Regarding volatility, this returned in March 2020 at levels that had not been seen since the subprime mortgage crisis. For example, whether in the United States with the VIX index or in Europe with the V2X index, the level of volatility exceeded 80 in March and then remained within a range of 20 to 30 until the end of the year, compared with the usual average of around 15.

2020 was therefore a historic and paradoxical year in many respects. Firstly, the stock market valuations seem totally unconnected to the economic fundamentals due to the large amount of liquidity injected by central banks. Secondly, the economy underwent an exceptionally severe crisis, and yet there was a decline in 2020 in the number of bankruptcies of companies in France, as they were kept afloat by the government. Finally, growth, measured by the change in GDP, fell by 2.4% in the United States, 9% in France and 4.3% at the global level according to the World Bank,



whereas, among the biggest economies, only China where the pandemic started, saw an increase in its GDP that year. With a rise of 2.3%, growth in China was however at its lowest for 44 years.

1.2.2 Bond markets

In view of the scale of the Covid-19 pandemic which almost totally paralysed the world economy, central banks reacted quickly by injecting massive amounts of liquidity. These highly flexible monetary policies combined with a sudden strong aversion for risk resulted in a drop in yields on 10-year US sovereign bonds, which fell by almost 140 basis points in six months, to 0.5%. However, the recovery in the economy from August and the prospect of a Democratic victory in the presidential election enabled the 10-year US rates to regain almost 40 basis points.

After a difficult period between February and March, in which credit spreads returned to levels not seen since 2012, high-rated corporate bonds took advantage of the action of central banks and at the end of 2020 spreads returned to their 2019 levels. Asset purchases by the ECB lowered the rates of good-quality bonds. However, in view of the increase in risk due to the current context, investors have not attempted to offset the fall in yields by turning to speculative-grade corporate bonds, for which spreads increased greatly during the crisis.

1.2.3 Equity markets

In 2020 the equity markets were marked by extreme volatility. Indeed, after setting new records while the Covid-19 epidemic started to spread around the world, equity indexes suffered one of the biggest crashes in history, both in terms of its speed and its scale, collapsing by 30 to 40% in one month. For instance, the CAC 40 fell by 38.6% between 19 February and 18 March 2020. After starting in China, the coronavirus epidemic grew exponentially, affecting almost every country in the world and forcing the authorities to confine their populations, blocking all economic activity. The very rapid intervention of the monetary authorities combined with the unprecedented direct support put in place by governments to save their economies, enabled shares to rally very quickly.

In the United States, they even greatly exceeded their level at the end of 2019, reaching record levels again from September onwards and finishing the year up 16% in the S&P 500 and 44% in the NASDAQ. Conversely, in Europe, although the recovery remains impressive it did not enable the equity indexes to recover all their losses, apart from the German DAX 30 index. This dichotomy is partly due to the importance of the technology sector in the make-up of the American indexes, that include well-known stay-at-home stocks such as Amazon, Microsoft and Netflix that benefited from the lockdown. The European indexes for their part suffered from the under-performance of securities in the traditional economy, cyclical sectors and sectors such as finance and energy that were the most penalised by the crisis.

Regarding emerging economies, the more rapid recovery of their economies enabled emerging indexes to end the year up by over 15%.

1.2.4 Foreign exchange markets

After a big increase in 2019, the dollar fell to its lowest level against the euro since March 2018, penalised by the highly flexible policy of the Federal Reserve. As a result, the euro rose by almost 9% during the year to 1.22 dollars at the end of December. For its part, the pound fell by 6% against the euro in spite of the conclusion of the Brexit withdrawal agreement, the British economy being one of the worst-affected by the crisis. Finally, bitcoin achieved a further rapid rise at the end of the year, taking advantage of concerns about global financial stability linked to the acceleration of highly flexible monetary policies, and beating its record of 2017.



1.2.5 Raw materials markets

Oil prices collapsed in February, hit by a dual crisis, both in demand, linked to the shutdown of the global economy, and in supply, linked to the price war between Russia and Saudi Arabia which started again at the same time. Oil prices then reduced their losses thanks to an agreement to reduce supply by producer countries, ending the year down 20%. Conversely, gold took advantage of its position as a safe haven to rise by 25% in 2020.

1.2.6 Impact on the portfolios

The insurance entities that make up Groupe VYV represent a net book value of €15.3 billion of financial investments. These investments are mainly made via bonds, which represent almost 70% of the portfolio. In view of the coronavirus crisis and the massive response by central banks, Groupe VYV's consolidated portfolio took full advantage of the decrease in rates. Consequently, the resulting increase in bond assets enabled Groupe VYV to increase its unrealised capital gain by over €450 million for the bond component. For its part, the equity component increased slightly following a few reinvestments in the second half of the year, and maintained very slightly positive results thanks to the equity hedges carried out before the crisis within certain entities.

1.3 Highlights

1.3.1 Concerning the Group's business

1.3.1.1 Fitch Ratings

On 15 January 2021 Fitch Ratings confirmed the A+ rating of Groupe VYV. Its rating outlook is "negative". The A+ rating concerns the following entities:

- Harmonie Mutuelle
- MGEN
- Mutex
- MGEFI
- MNT

As the holding entity, UMG Groupe VYV was assigned an "A" rating. Fitch emphasised some of the strengths of Groupe VYV in its assessment:

- Strong business profile;
- Leading position in health insurance in France;
- Very great financial strength;
- Moderate asset risk.

The "negative" outlook is linked to the group's low profitability due to regulatory and competitive pressure, in the context of a pandemic.

The senior debt issued in July 2019 was still assigned an "A-" rating.

1.3.1.2 Covid-19 epidemic

The Covid-19 coronavirus epidemic has spread throughout the whole world since January 2020. Groupe VYV deployed its crisis unit from February 2020 and organised the group internally to ensure continuity of service in all territories where it is established or carries out its activities. Groupe VYV therefore monitors its exposure to the epidemic, in particular the impact of the health crisis on the economic and financial environment, travelling by people, repatriation required on medical grounds etc.

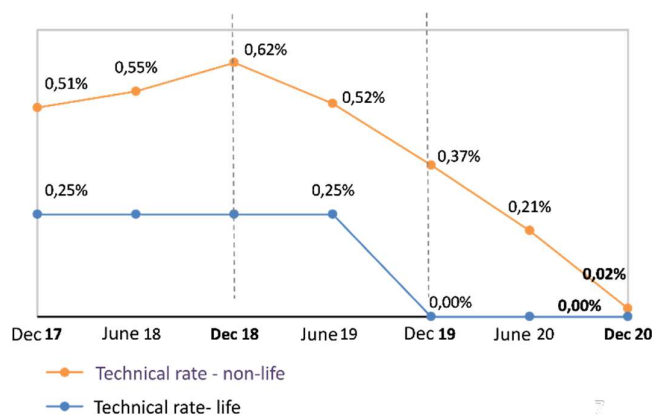


The main impacts of the health crisis on the 2020 accounts and its consequences for Groupe VYV are as follows:

- Decline in healthcare benefits paid during the financial year;
- Recognition of the “Covid tax” totalling €208m with the following breakdown:
 - 1st instalment: 2.6% of 2020 health premiums, representing €138m;
 - 2nd instalment: 1.3% of 2021 estimated health premiums, representing €70m;
- Decline in revenue from certain healthcare and related services businesses (eyewear, dental services etc.);
- Support measures for healthcare and related services businesses

1.3.1.3 Decline in the technical rates

In 2020 the decrease continued in the regulatory ceilings of the technical rates, resulting in reinforcement of the technical provisions – non-life (impact of about -€49m on the net income of the insurance perimeter).





1.3.2 Concerning the perimeter

The main changes in the perimeter in the financial year were as follows (presented in greater detail in the “Notes to the annual financial statements”):

1.3.2.1 Harmonie Mutuelle Foncière et Lieux de Vie

Creation of a landholding company (real estate assets of €214m and own funds of €148m) which groups together the net assets of the two property investment partnerships Blomet and Immobilière Harmonie, the assets of Harmonie Mutuelle, as well as the net assets of other property investment partnerships held by Harmonie Mutuelle, that were not consolidated up to now.

1.3.2.2 Within the VYV 3 division:

- Inclusion of Pavillon de la Mutualité (as well as Medi France and 2 SCI),
- Initial consolidation of APSA,
- Deconsolidation of MNAM-OM,
- Merger of VYV 3 Ile-de-France/ADEP,
- Merger of Union Mutualiste Enfance et Famille/Association Alpha

1.3.2.3 SAFM subgroup

Within the funeral subgroup, acquisition of three new companies (generating goodwill of €15m) and 23 mergers (number of legal entities reduced by 20).

1.3.2.4 HDS subgroup

Six acquisitions and absorptions of companies (two by HMS and four by Harmonie Ambulance).

1.3.2.5 HGO subgroup

Within the HGO subgroup, merger of the two clinics in Quimper, to form CMBO (Clinique Mutualiste Bretagne Occidentale).

1.3.2.6 VYV Invest

- Initial consolidation of VYV Protection Avenir and HM-VYV Innovation (companies created at the end of 2019),
- Restructuring of the telecare division (KRG SeniorAdom), with the buyout of minority interests in KRG, initial consolidation of Novaxès (which S2AS merged with) and the sale of part of Technosens,
- Buyout of minority interests in VYV IB (34%), generating goodwill of €18m.



1.4 Profit and loss account

The consolidated net result for financial year 2020 was a profit of €74.2m compared with a loss of €48.5m in 2019. It is summarised below:

In €m	Insurance	Healthcare and Related Services	Other	31/12/2020	31/12/2019	Variation	%
Earned premiums	7,657.4			7,657.4	7,604.1	53.3	0.7%
Revenue or income from other businesses	48.1	1,949.0	66.6	2,063.7	1,880.9	182.8	9.7%
Other operating income	278.0	284.5	21.9	584.4	521.6	62.8	12.0%
Financial income net of charges	218.3			218.3	283.7	-65.4	-23.0%
Total current operating income	544.4	2,233.6	88.5	2,866.4	2,686.1	180.3	6.7%
Insurance benefit expenses	(6,420.4)			(6,420.4)	(6,636.9)	216.5	-3.3%
Net charges for or income from reinsurance cessions	(38.4)			(38.4)	(11.8)	-26.6	226.2%
Expenses for other businesses	(51.7)	(2,228.0)	(384.9)	(2,664.6)	(2,415.6)	-249.0	10.3%
Management expenses	(1,210.2)			(1,210.2)	(1,200.0)	-10.2	0.8%
Total current operating expenses	(7,720.6)	(2,228.0)	(384.9)	(10,333.5)	(10,264.2)	-69.2	0.7%
Intersegment	(286.6)	(13.4)	300.2	0.2	(0.1)	0.3	
CURRENT OPERATING INCOME	194.6	(7.8)	3.8	190.6	25.9	164.7	637.1%
Net investment income	37.4	1.4	(8.7)	30.1	46.7	-16.6	-35.5%
Other non-technical net income	(121.2)			(121.2)	(89.6)	-31.6	35.2%
Extraordinary profit or loss	(5.8)	(0.8)	3.6	(2.9)	50.7	-53.6	-105.7%
Corporate income tax	(15.1)	1.1	(1.2)	(15.2)	(61.9)	46.6	-75.4%
NET INCOME FROM CONSOLIDATED COMPANIES	89.9	(6.1)	(2.4)	81.4	(28.3)	109.7	-387.5%
Share of profits of companies accounted for using the equity method	0.6	0.0	(0.3)	0.3	0.3	0.0	-7.1%
Amortisation of goodwill	0.0	(1.9)	(10.0)	(12.0)	(18.3)	6.3	-34.5%
NET INCOME OF THE CONSOLIDATED GROUP	90.4	(8.1)	(12.7)	69.6	(46.3)	115.9	-250.3%
Minority interests	6.4	0.3	(2.1)	4.6	(2.2)	6.7	-312.0%
NET RESULT (Group's share)	96.9	(7.8)	(14.8)	74.2	(48.5)	122.7	-253.1%

1.4.1 General comments on business

- Net income from the “insurance” business at 31/12/2020 amounted to €96.9m. The main contributors were:
 - MGEN (including Vie, Filia, SCI Philgen): +€64.4m
 - MNT: +€16.3m
 - MGEFI: +€13.4m
 - Harmonie Mutuelle: +€7.8m
 - Mutex: -€0.9m
 - Mutuelle Mare-Gaillard: -€1.5m
 - SMACL: -€2.7m
 - Sphéria Vie: -€4.5m



Groupe VYV's net income was marked by the following elements linked to the present economic climate:

- Decrease in the number of claims for Insurance linked to the context of the health crisis, which had a positive impact on the technical result;
- Introduction of a "Covid tax" amounting to €208m, which negatively impacted the technical result;
- The reinforcement of liabilities (technical provisions) negatively impacted earnings by €49m.

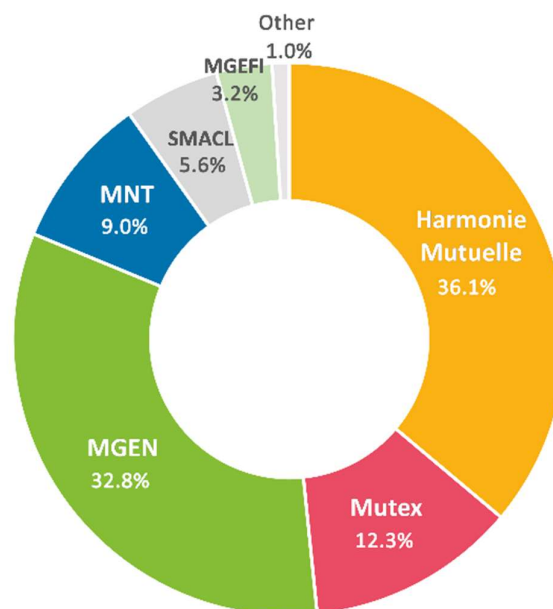
- The "**Healthcare and Related Services**" business suffered a loss of €7.8m in 2020, mainly due to:
 - Losses by the VYV 3 Unions (-€7.5m): in the health context linked to Covid-19, the VYV 3 unions nevertheless benefited from support measures by the State that made it possible to reduce operating losses;
 - Profits by Groupe SAFM (+€0.6m): the SAFM group achieved its first profitable financial year, and is now starting to benefit from economies of scale;
 - Losses by clinics in Groupe HGO (-€1.2m): the losses are lower than those suffered in previous financial years. Groupe HGO also benefited from support measures in 2020;
 - Losses by Groupe HDS (-€0.6m): the earnings of Harmonie Ambulance (+€0.7m) did not offset the loss recorded for HMS (-€1.4m).

- "**Other**" showed a loss of €14.8m mainly due to:
 - Losses by Groupe VYV Invest (-€14.1m);
 - Losses by VYV Coopération (-€0.7m)

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

1.4.2 Earned premiums

Gross earned premiums in 2020 totalled €7,657m with the following breakdown:





Compared with 2020 there was an increase of €53m mainly due to:

- An increase of €127m for MGEN, representing 5.3% (price rise for the MSP range);
- A drop of €87m for Mutex, linked to the cancellation of health policies and the fall in savings payments.

1.4.3 Revenue - other businesses: €2,064m

Revenue from other businesses includes:

- Revenue from Healthcare and Related Services totalling €1,949m, i.e. +€149m (+8.3%) compared with 2019. This figure includes the mutual businesses (VYV 3: clinical sectors, convalescence centres, dental care, eyewear, hearing aids, pharmacy, child care and assisted living facilities) as well as the capital-intensive businesses (HGO, HDS, SAFM, Hospitalia). The increase in revenue of €149m is mainly due to:
 - The inclusion of Pavillon de la Mutualité (+€112m) in the perimeter;
 - Takeover of establishments by VYV 3 Ile-de-France (+€25m);
 - The increase in revenue of Groupe SAFM (+€6m) linked to acquisitions in the financial year;
 - The increase in revenue of the “HDS” group (+€1m).
- The revenue of the other businesses (mainly driven by investments held by VYV Invest) totalling €67m, i.e. +€20m compared with 2019.
- Revenue of the “Insurance property investment partnerships (SCI)” and of HM Foncière et Lieux de Vie totalling €48m.

1.4.4 Other operating income: €584m.

Other operating income increased by €63m, linked to the rise in revenue. This item comprises:

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

1.4.5 Financial income net of charges: €218m.

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

1.4.6 Gross insurance benefits expenses: €6,420m

Gross insurance benefits expenses in millions of euros	2020 amount	% of the total	2019 amount	% of the total	Variation 2020/2019	Variation (%)
Benefits and Management fees	5,845.0	91.0%	6,289.4	94.8%	-444.4	-7.1%
Mathematical provisions	(201.8)	(3.1%)	(97.6)	(1.5%)	-104.2	106.7%
Costs of provisions for claims	470.5	7.3%	224.1	3.4%	246.4	109.9%
Variation in the equalisation provision	38.3	0.6%	5.3	0.1%	33.0	625.2%
Expenses for other technical provisions	172.7	2.7%	126.2	1.9%	46.6	36.9%
Profit-sharing	95.7	1.5%	89.5	1.3%	6.2	6.9%
Total	6,420.4	100.0%	6,636.9	100.0%	-216.5	-3.3%



Gross benefits expenses decreased by €216m compared with 2019. This change is due to the combined effects of:

- Overall decrease in benefits in connection with the health context linked to Covid-19 (decline in consumption of healthcare costs);
- Impact of the Covid tax totalling €208m.

1.4.7 Ceded reinsurance result: -€38m

Management fees in millions of euros	2020 amount	2019 amount	Variation 2020/2019	Variation (%)
Reinsured premiums	(619.7)	(586.1)	-33.6	5.7%
Reinsured benefits	553.2	513.1	40.2	7.8%
Reinsurance commission	28.1	61.3	-33.2	-54.2%
Total	(38.4)	(11.8)	-26.6	226.2%

The main contributors to the reinsurance income in 2020 were Harmonie Mutuelle and SMACL Assurances.

1.4.8 Expenses for other businesses: €2,665m

Expenses for other businesses in millions of euros	2020 amount	% of the total	2019 amount	% of the total	Variation 2020/2019	Variation (%)
External purchases and expenses	1,000.2	37.5%	931.3	38.6%	68.9	7.4%
Taxes and duties	131.4	4.9%	117.3	4.9%	14.1	12.1%
Payroll expense	1,250.4	46.9%	1,130.9	46.8%	119.5	10.6%
Other operating charges	99.3	3.7%	79.9	3.3%	19.4	24.2%
Depreciation and provisions	183.3	6.9%	156.2	6.5%	27.0	17.3%
Total	2,664.6	100.0%	2,415.6	100.0%	249.0	10.3%

This item mainly comprises purchases consumed, general expenses, expenses relating to employees (including external employees included under “External purchases and expenses”) as well as the related taxes and duties. The increase in expenses is linked to the increases recorded under “Revenue or income from other businesses” and “Other operating income”, and is due to inclusions in the VYV 3 perimeter (Pavillon Mutualité, APSA) and the new acquisitions in the funeral business.

1.4.9 Management expenses: €1,210m

Management fees in millions of euros	2020 amount	% of the total	2019 amount	% of the total	Variation 2020/2019	Variation (%)
Acquisition costs	346.2	28.6%	368.3	30.7%	-22.1	-6.0%
Administrative expenses	340.5	28.1%	336.3	28.0%	4.2	1.2%
Other technical expenses	523.5	43.3%	495.4	41.3%	28.1	5.7%
Total	1,210.2	100.0%	1,200.0	100.0%	10.2	0.8%



The level of management fees remained almost stable at 19.5% in 2020 compared with 19.3% in 2019. This item comprises:

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

1.4.10 Net investment income: +€30m

The net proceeds from investments concern the share of the financial result not allocated to the technical result for insurance entities, and all of the financial result of the other entities. The main contributors were:

- Harmonie Mutuelle: €28m
- MGEN: €11m
- UMG Groupe VYV (cost of borrowing): -€8m

1.4.11 Miscellaneous revenue net of non-technical charges: -€121m

This is the difference between miscellaneous revenue and other non-technical charges of the insurance companies. The main contributors to this item were Harmonie Mutuelle, MGEN and Mutex.

1.4.12 Extraordinary profit or loss: -€3m

The main significant items were:

- Exceptional expense for MGEN Vie (reserving of escheated policies): -€5m
- Reversal of negative goodwill for Mutex (amortised over 15 years): +€6m

1.4.13 Corporate income tax: -€15m

Corporate income tax comprises:

- Income tax expense due totalling -€39m (entered in the individual financial statements of the organisations subject to corporate tax).
- Deferred tax revenue totalling +€24m.

The tax revenue was mainly from the second instalment of the “Covid tax” recognised in 2020 but which will only be deductible in 2021 (impact of +€18m). Furthermore, capitalisation of loss carryforwards had an impact of +€5m (mainly Harmonie Mutuelle and Mutex).

1.4.14 Share of profits of companies accounted for using the equity method: +€0.3m

The main companies that contributed to this item were:

- Parnasse Garantie: +€0.6m,
- Energie Perspective (“EP”), subsidiary of VYV Invest -€0.3m.



1.4.15 Amortisation and impairment of goodwill: -€12m

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

- Groupe HGO: -€0.3m
- Groupe HDS: -€1.7m
- VYV Invest: -€10.0m

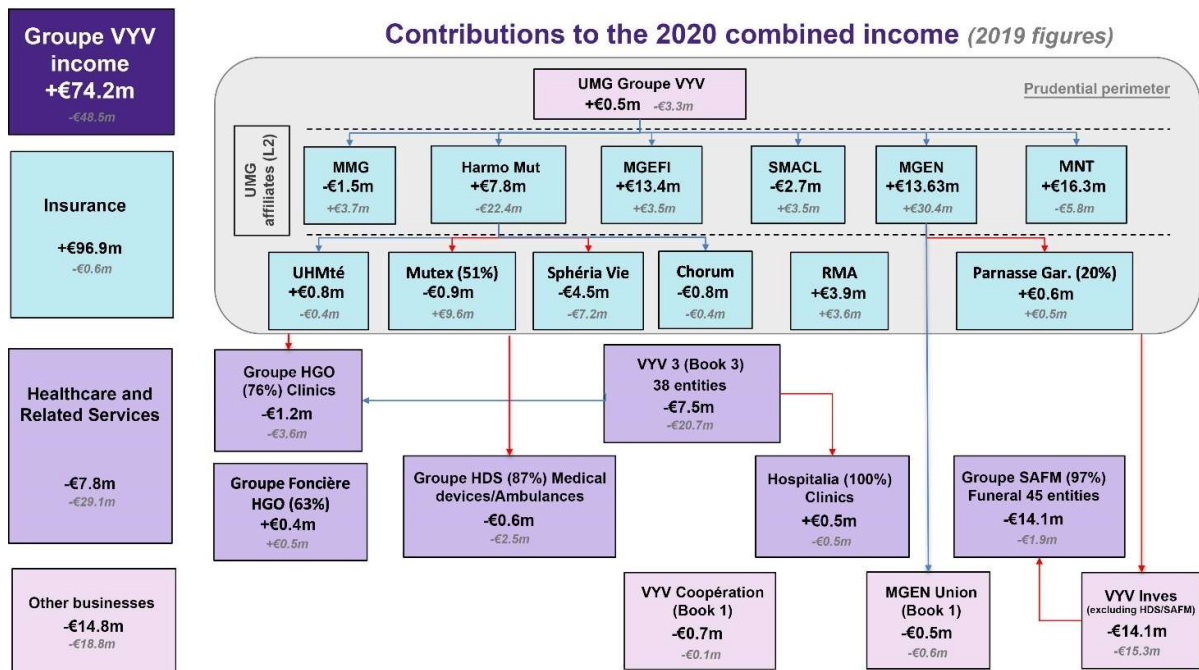
1.4.16 Minority interests: +€5m

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

- Mutex: +€6.4m
- Groupe HGO: +€0.4m
- VYV Invest: -€2.0m

1.4.17 Income per entity/sub-group

The net income of +€74.2m is shown in the organisation chart below:





1.5 Balance sheet

1.5.1 Assets (in €m)

	31/12/2020	31/12/2019	Variation
Uncalled subscribed capital	11.3	11.8	-0.6
Net goodwill	107.5	81.6	25.9
Intangible assets	150.5	135.1	15.4
Investments by insurance companies	15,000.9	14,215.8	785.1
Investments by other companies	751.3	626.7	124.6
Equity method investments	24.1	22.5	1.6
Share of assignees and retrocessionaires in technical provisions	1,806.8	1,653.9	152.9
Receivables	3,020.7	2,977.8	42.9
Share of guarantors in the commitments in substitution	8.3	9.1	-0.8
Other assets	1,227.9	1,137.7	90.2
Prepayments and accrued income	593.1	536.4	56.7
Total assets	22,702.4	21,408.4	1,294.0

1.5.2 Liabilities (in €m)

	31/12/2020	31/12/2019	Variation
Shareholders' equity	5,072.6	4,914.4	158.2
Minority interests	457.5	452.9	4.6
Subordinated liabilities	67.6	37.7	29.8
Gross technical provisions	11,835.6	11,261.4	574.2
Provisions for liabilities and charges and regulated provisions	299.2	271.4	27.8
Dedicated funds	40.3	27.3	13.0
Other debts	4,680.1	4,201.1	479.0
Accruals and deferred income	249.6	242.3	7.3
Total liabilities	22,702.4	21,408.4	1,294.0

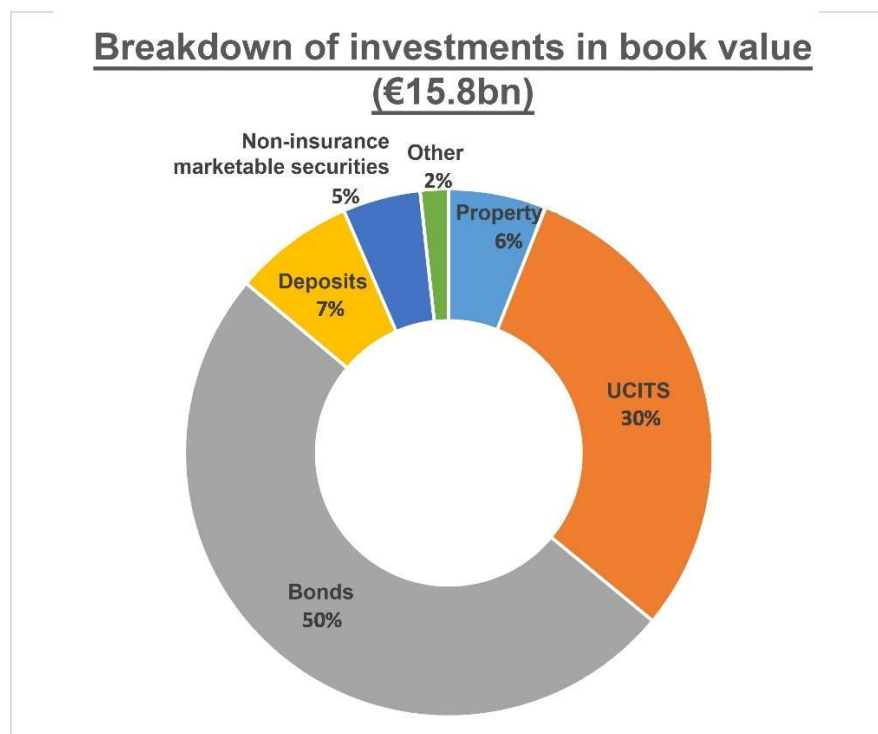
At 31/12/2020, the balance sheet total amounted to €22,702m compared with €21,408m at 31/12/2019. The increase of €1,294m was mainly due to the following changes:

- Introduction of repurchase agreements by Harmonie Mutuelle totalling €350m (increase in investments by insurance companies and in other liabilities);
- Provisioning of the Covid tax totalling €208m, under technical provisions.



1.5.3 Financial investments

Investments by insurance companies (after eliminating equity interests in consolidated companies) amounted to €15,752m in net book value at 31/12/2020, with the following breakdown:



1.5.4 Equity method investments

Equity method investments mainly concern Parnasse Garantie, totalling €24m.

1.5.5 Own funds

The consolidated own funds of the UMG Groupe VYV amounted to €5,530m at 31 December 2020, divided between the share belonging to the UMG Groupe VYV and the share belonging to minority interests.

1.5.5.1 Own funds belonging to the UMG Groupe VYV: €5,073m

The increase of €158m was mainly due to:

- The profit for the 2020 financial year: +€74m
- Inclusion of Pavillon Mutualité: +€43m
- Inclusion of APSA: +€11m
- Merger of VYV 3 Ile-de-France with ADEP: +€12m
- Other: +€17m



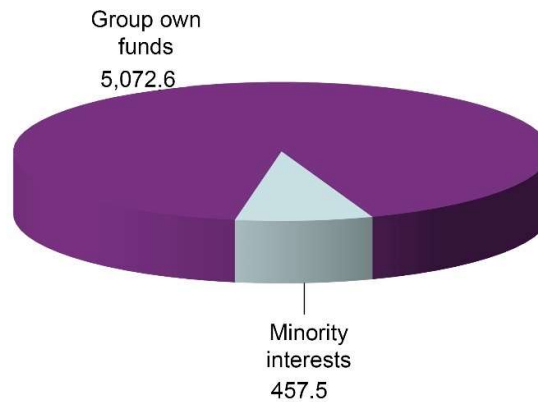
1.5.5.2 Own funds held by minority shareholders: €457m

The own funds held by minority shareholders (shareholders outside the group) amounted to €457m at 31 December 2020 and concerned:

- Mutex: €384m
- Foncière HGO: €40m
- VYV Invest: €14m
- Property investment partnerships: €6m
- Groupe HDS: €5m
- Medi France: €3m
- Groupe HGO: €2m
- Groupe SAFM: €2m

1.5.5.3 Breakdown of consolidated own funds

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





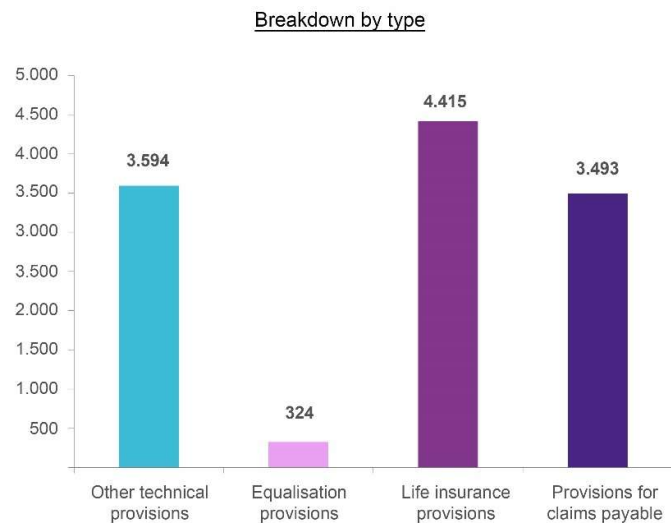
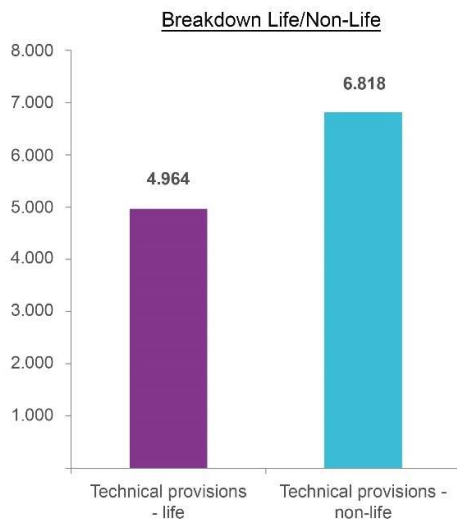
1.5.6 Technical provisions

Technical provisions gross of reinsurance capitalised at 31 December 2020 totalled €11,836m. This item corresponds to:

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

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

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





1.6 Outlook and post-balance sheet events

Stéphane Dedeyan, Chief Executive Officer of the Group, announced his departure from the Group with effect from 28 February 2021.

1.7 Any other information

1.7.1 Corporate social responsibility (CSR)

In accordance with Article R. 225-105-1 of the French Commercial Code concerning the social and environmental transparency obligations of companies, the organisations concerned present a Corporate Social Responsibility report for financial year 2020. It should be noted that the UMG Groupe VYV is not subject to this obligation.



2. Combined financial statements

2.1 Balance sheet - Assets

In € thousands	31/12/2020	31/12/2019
Uncalled subscribed capital	11,297	11,848
Goodwill	107,531	81,634
Intangible assets	150,504	135,071
Investments by insurance companies	14,957,783	14,173,071
- land and buildings	941,412	907,929
- investments in related undertakings	43,157	129,984
- other investments	13,402,498	12,575,507
- deposits to cedants	570,716	559,651
Investments representing UL obligations	43,124	42,724
Investments by other companies	751,325	626,711
Equity method investments	24,063	22,473
Share of assignees and retrocessionaires in the technical provisions	1,806,759	1,653,855
- share of assignees in provisions - (life)	236,346	199,896
- share of assignees - (non-life)	1,570,413	1,453,958
Receivables	3,020,698	2,977,778
- Receivables from insurance or reinsurance operations or cessions in substitution	1,059,950	1,003,343
- Receivables from customers of banking sector companies		
- Receivables from banking sector companies	1,072,485	1,094,405
- Non-trade receivables	888,262	880,030
Share of guarantors in the commitments in substitution	8,313	9,103
Other assets	1,227,884	1,137,693
- other property, plant and equipment	1,174,670	1,089,049
- other	53,215	48,644
Prepayments and accrued income	593,141	536,449
Translation loss		
Total assets	22,702,424	21,408,411



2.2 Balance sheet - Liabilities

In € thousands	31/12/2020	31/12/2019
Group own funds	5,072,604	4,914,361
- endowment fund without rights to recovery or capital	1,981,549	1,951,997
- capital reserves arising on consolidation	3,019,383	3,002,629
- income	74,213	(48,478)
Other mutual funds	(2,542)	8,212
Minority interests	457,545	452,896
- minority interests - share of reserves	462,125	450,735
- minority interests - share of earnings	(4,580)	2,161
- non-group conversion reserves		
OWN FUNDS	5,530,149	5,367,257
Subordinated liabilities	67,553	37,749
Gross technical provisions	11,782,365	11,208,042
- life insurance provisions	4,964,500	5,002,270
- non-life insurance provisions	6,817,866	6,205,771
Technical provisions - unit-linked	43,697	43,058
Technical commitments on transactions ceded in substitution	9,542	10,288
Provisions for liabilities and charges and regulated provisions	299,204	271,360
Dedicated funds	40,261	27,286
Other debts	4,680,060	4,201,103
- debts relating to insurance and reinsurance operations	1,523,596	1,410,062
- debts to banking sector companies	607,859	574,338
- debts to customers of banking sector companies		
- debts evidenced by securities	500,001	500,000
- Other debts	2,048,605	1,716,704
Accruals and deferred income, reciprocal accounts	249,593	242,267
Translation gain		
Total liabilities	22,702,424	21,408,411



2.3 Profit and loss account

In € thousands	Non-life business	Life business	Other mutual businesses (Books 1 and 3)	Other businesses (property investment partnerships (SCI), limited companies (SA), simplified joint stock companies (SAS), Economic Interest Groupings (EIG), associations)	Intersegment	Total 31/12/2020	31/12/2019
Written premiums	7,131,525	570,346	0	0	(43,641)	7,658,230	7,605,266
Variation in unearned premiums	(843)	0	0	0	0	(843)	(1,169)
Earned premiums	7,130,682	570,346	0	0	(43,641)	7,657,387	7,604,097
Banking operating income	0	0	0	0	0	0	
Revenue or income from other businesses	0	0	1,605,642	484,628	(26,557)	2,063,713	1,880,871
Other operating income	255,294	48,240	550,997	89,826	(359,940)	584,417	521,580
Financial income net of charges	97,209	121,184	0	0	(91)	218,303	283,661
Total current operating income	352,503	169,424	2,156,639	574,454	(386,588)	2,866,433	2,686,112
Insurance benefit expenses	(5,858,588)	(585,308)	0	0	23,539	(6,420,357)	(6,636,874)
Net charges for or income from reinsurance cessions	(43,882)	(9,862)	0	0	15,349	(38,394)	(11,770)
Banking operating expenses	0	0	0	0	0	0	
Expenses for other businesses	0	0	(2,164,390)	(549,873)	49,711	(2,664,552)	(2,415,601)
Management expenses	(1,426,923)	(120,632)	0	0	337,404	(1,210,151)	(1,199,995)
Total current operating expenses	(7,329,393)	(715,802)	(2,164,390)	(549,873)	426,003	(10,333,454)	(10,264,240)
Intersegment transfers	0	0	0	0	207	207	(116)
CURRENT OPERATING INCOME	153,793	23,968	(7,751)	24,581	(4,019)	190,572	25,853
Net investment income						30,088	46,656
Other non-technical net income						(121,175)	(89,608)
Extraordinary profit or loss						(2,910)	50,655
Income tax						(15,223)	(61,856)
INTERMEDIATE BALANCE						81,352	(28,300)
Unused resources carried forward from previous financial years							
Outstanding commitments for the resources allocated							
NET INCOME FROM CONSOLIDATED COMPANIES						81,352	(28,300)
Share of profits of companies accounted for using the equity method						259	278
Amortisation of goodwill						(11,978)	(18,295)
CONSOLIDATED NET INCOME						69,633	(46,317)
Minority interests						4,580	(2,161)
CONSOLIDATED NET INCOME						74,213	(48,478)



2.4 Off-balance sheet

2.4.1 Commitments of insurance companies

In € thousands	31/12/2020	31/12/2019
COMMITMENTS RECEIVED		
Contractual commitments	411,597	374,014
Other commitments received	121,714	69,459
COMMITMENTS GIVEN		
Endorsements, security, and credit guarantees	59,361	57,791
Other commitments given	183,740	186,968
OTHER COMMITMENTS		
Securities received as collateral from reinsurers		
Other reciprocal commitments		

2.4.2 Commitments of other companies

In € thousands	31/12/2020	31/12/2019
COMMITMENTS RECEIVED		
Contractual commitments	61,833	70,612
Other commitments received	37,283	50,253
COMMITMENTS GIVEN		
Security, collateral, mortgage etc.	151,439	158,727
Other commitments given	11,289	11,761
OTHER COMMITMENTS		
Other commitments		



3. Notes to the annual financial statements

3.1 Highlights

3.1.1 Concerning the Group's business

3.1.1.1 Covid-19 epidemic

The main impacts of the health crisis on the 2020 accounts and its consequences for Groupe VYV are as follows:

- Decline in healthcare benefits paid during the financial year
- Recognition of the "Covid tax" totalling €208m with the following breakdown:
 - 1st instalment: 2.6% of 2020 health premiums, representing €138m
 - 2nd instalment: 1.3% of 2021 estimated premiums, representing €70m
- Decline in revenue from certain healthcare and related services businesses (eyewear, dental services etc.)
- Support measures for healthcare and related services businesses

3.1.1.2 Decline in the technical rates

In 2020 the decrease continued in the regulatory ceilings of the technical rates, resulting in a reinforcement of the technical provisions – non-life (impact of about -€49m on the net income of the insurance perimeter).

3.1.2 Concerning the perimeter

The main changes in perimeter in the financial year were:

3.1.2.1 Harmonie Mutuelle Foncière et Lieux de Vie

Creation and consolidation of the simplified joint stock company (SAS) "Harmonie Mutuelle Foncière Lieux de Vie", wholly-owned by Harmonie Mutuelle. This landholding company groups together:

- The property investment partnerships Blomet and Immobilière Harmonie, previously consolidated (no impact on consolidation),
- Real estate assets previously held by Harmonie Mutuelle (no impact on consolidation),
- Other property investment partnerships below the thresholds, previously not consolidated, held by Harmonie Mutuelle (+ €7m in own funds).

This entity had the following main financial aggregates:

- Fixed assets: €214m
- Own funds: €148m
- Financial debts: €83m

3.1.2.2 Within the VYV 3 division

- Inclusion of Pavillon Mutualité, Medi France (holding company held by Pavillon Mutualité) and the two property investment partnerships Médoc and Pessac: increase in own funds of €43m.
- Initial consolidation of APSA: "Association pour la Promotion des Personnes Sourdes, Aveugles et Sourd aveugles" (joined VYV 3 in 2019, but schedule impossible in 2019): increase in own funds of €11m.
- Deconsolidation of MNAM-OM: dissolution/liquidation in progress. Transfer of assets to other VYV 3 unions.
- VYV 3 Ile de France: merger with ADEP (+€12m in own funds)
- Union Mutualiste Enfance et Famille: merger with the association Alpha (+€7m in own funds)



3.1.2.3 Groupe SAFM (Funeral)

- Capital increase for the holding company SAFM totalling €25m, subscribed for by VYV Invest for a total of €24.2m (96.66%)
- Acquisition of three companies: purchase price €17m, generating goodwill of €15m
- 23 mergers in the financial year (21 entities remaining at 31/12/2020 compared with 41 in 2019).

3.1.2.4 Groupe HDS

Acquisition of six entities by the HDS subgroup:

- Two by Harmonie Medical Service (followed by mergers)
- Four by Harmonie Ambulance (only one was merged).

3.1.2.5 Groupe HGO

Merger of two clinics in Quimper (Polyclinique Quimper Sud acquired Saint Michel Sainte Anne) and change of name: Clinique Mutualiste Bretagne Occidentale (CMBO).

3.1.2.6 Foncière HGO

Capital increase of €3.8m, including €3.4m subscribed by Harmonie Mutuelle (interest increased from 62.57% to 63.60%).

3.1.2.7 VYV Invest

- Initial consolidation of VYV Protection Avenir and HM-VYV Innovation (created in 2019 – no goodwill)
- Restructuring of the KRG/SeniorAdom telecare division
 - Buyout of minority interests by KRG (36%) totalling €2.5m
 - Initial consolidation of Novaxès, entirely sold by HM/VYV 3/RMA to KRG, and takeover of S2AS (previously held by KRG)
 - Sale of 70% of the shares in Technosens to Korian (by KRG) and direct purchase by VYV Invest (30%)
- VYV IB: buyout of 34% of the minority interests, generating goodwill of €18m
- Impairment of goodwill totalling €10m: KRG €5.3m/Kalixia €2.5m (100%)/EP €2.3m (100%).

3.1.2.8 Mergers

- Groupe HDS: Transfer of all assets and liabilities of two companies acquired by HMS and a company acquired by Harmonie Ambulance
- Groupe SAFM: 23 entities were acquired by transfer of all assets and liabilities or by merger in the 2020 financial year: absorption of seven entities on 1 January 2021, then transfer of all assets and liabilities of nine subsidiaries on 30 June by SAFM. In addition, ARRAS Funéraire and Pompes Funèbres Phocéennes absorbed seven companies previously included in the consolidation perimeter.



3.2 Combination perimeter

3.2.1 Principles for determining the combination perimeter

The combination perimeter of the UMG Groupe VYV was defined by listing all of the organisations that gravitate directly or indirectly around the UMG and its members.

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

This census made it possible to identify over 350 organisations (mutual insurance companies, unions, limited companies, simplified joint stock companies, EIGs, property investment partnerships, associations) including 240 controlled by the group (either capital-intensive organisations in which the group has more than a 20% interest, or other organisations that meet the combination criteria).

To make the combined financial statements of the UMG Groupe VYV more meaningful, it was deemed appropriate to define financial thresholds for the following items: own funds, net tangible assets and external financial debts, in order to only include in the combined financial statements, organisations that are significant from an economic point of view.

The following thresholds are applied:

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

These thresholds apply to entities or groups of entities. They are included as soon as one of the thresholds is crossed. Exceptions were made to keep a coherent view of the intermediate levels (HDS, HGO, VYV 3 and SAFM).

Furthermore, certain exclusions apply, for the following reasons:

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

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

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

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



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

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

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

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

The 2020 UMG Groupe VYV consolidation perimeter comprises 124 entities.

3.2.2 List of entities within the perimeter at 31 December 2020

The following table lists the 124 entities combined at 31 December 2020. Entities that have merged are listed under the acquiring company.

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



Legal form	Organisation	Consolidation method	% Control	% Interest	Change/Comments
Combined unions governed by Book 1 of the French mutual insurance code (Code de la Mutualité)					
Book 1	UMG Groupe VYV	Full consolidation	100.00%	100.00%	Combining entity
Book 1	VYV Coopération	Full consolidation	100.00%	100.00%	
Book 1	MGEN Union	Full consolidation	100.00%	100.00%	
Unions/mutual insurance companies/combined capital-intensive insurance organisations					
Book 2	Harmonie Mutuelle	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	MGEN	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	MGEN Filia	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	MGEN Vie	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	MGEFI	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	MNT	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	Mutuelle Mare-Gaillard	Full consolidation	100.00%	100.00%	Member of the UMG
Mutual insurance company	SMACL Assurances	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	Chorum	Full consolidation	100.00%	100.00%	
Book 2	Ressources Mutuelles Assistance (RMA)	Full consolidation	100.00%	100.00%	
Book 2	Union Harmonie Mutualité (UHM)	Full consolidation	100.00%	100.00%	
Limited company (SA)	Sphéria Vie	Full consolidation	100.00%	100.00%	
Limited company (SA)	MUTEX SA	Full consolidation	51.37%	51.37%	
Limited company (SA)	Parnasse Garantie	Equity method	20.00%	20.00%	
Unions/mutual insurance companies/other organisations within the VYV 3 sub-group					
Book 3	VYV 3	Full consolidation	100.00%	100.00%	
Book 3	VYV 3 Sud Est	Full consolidation	100.00%	100.00%	
Book 3	MGEN Action Sanitaire et Sociale (MGENASS)	Full consolidation	100.00%	100.00%	
Book 3	MGEN Centres de Soins (MGENCS)	Full consolidation	100.00%	100.00%	
Book 3	Sphéria Val de France (SVFA)	Full consolidation	100.00%	100.00%	
Book 3	VYV 3 Ile-de-France	Full consolidation	100.00%	100.00%	
Book 3	Union Thiernoise des Mutuelles (UTM)	Full consolidation	100.00%	100.00%	
Book 3	Union des Services Mutualistes des Pays de la Loire (USMPDL)	Full consolidation	100.00%	100.00%	
Book 3	Union des Services et Biens Médicaux des Pays de la Loire (USBMPDL)	Full consolidation	100.00%	100.00%	
Book 3	Union mutualiste Enfance Famille Handicap Soins des Pays de la Loire (UMEFHSPDL)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française Centre Val de Loire (MFCVL)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française Bourguignonne (MFBSSAM)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française Finistère Morbihan (MFFM)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française des Côtes d'Armor (MFCA)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française Ile et Vilaine (MFIV)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française de la Vienne (MFV)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française Eurelienne et Loiretaine (MFEL)	Full consolidation	100.00%	100.00%	
Book 3	Union Territoriale Mutualiste Lorraine (UTML)	Full consolidation	100.00%	100.00%	
Book 3	UMT- Terres d'Oc (UMTO)	Full consolidation	100.00%	100.00%	
Book 3	Union mutualiste Personnes Âgées des Pays de la Loire (UMPAPDL)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Retraite 29-56 (MR29-56)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Retraite Cotes d'Armor (MR22)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Santé Services (MSServices)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Santé Social (MSSocial)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Soins et Services à Domicile (MSSAD)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Travail Protégé (MTP)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Enfance et Famille des Côtes d'Armor (MEF22)	Full consolidation	100.00%	100.00%	
Book 3	Union de gestion Clinique de la Sagesse (UGCS)	Full consolidation	100.00%	100.00%	
Book 3	Union de Gestion Clinique Mutualiste de la Porte de l'Orient (UGCMPO)	Full consolidation	100.00%	100.00%	
Book 3	Union de Gestion Clinique Mutualiste Jules Verne (UGCMJV)	Full consolidation	100.00%	100.00%	
Book 3	Union de Gestion Clinique Mutualiste de l'Estuaire (UGCME)	Full consolidation	100.00%	100.00%	
Book 3	Union de Gestion Clinique Villa Notre Dame (UGVND)	Full consolidation	100.00%	100.00%	
Association	SCAPA	Full consolidation	100.00%	100.00%	
Book 3	Pavillon de la Mutualité	Full consolidation	100.00%	100.00%	Inclusion in the perimeter
Association	APSA	Full consolidation	100.00%	100.00%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Medi France Europe	Full consolidation	86.60%	86.60%	Inclusion in the perimeter
Property investment partnership (SCI)	SCI Clinique Mutualiste du Medoc	Full consolidation	99.98%	86.58%	Inclusion in the perimeter
Property investment partnership (SCI)	SCI Pessac	Full consolidation	100.00%	86.60%	Inclusion in the perimeter



Legal form	Organisation	Consolidation method	% Control	% Interest	Change/Comments
Organisations within the HDS sub-group					
Simplified joint stock company (SAS)	Harmonie Développement Services (HDS)	Full consolidation	86.90%	86.90%	
Simplified joint stock company (SAS)	Harmonie Médical Service (HMS)	Full consolidation	100.00%	86.90%	
Simplified joint stock company (SAS)	Harmonie Ambulance (Hambulance)	Full consolidation	100.00%	86.90%	
Organisations within the HGO sub-group					
Simplified joint stock company (SAS)	Hospi Grand Ouest (HGO)	Full consolidation	76.01%	76.01%	
Simplified joint stock company (SAS)	Hopital privé des Côtes d'Armor (HPCA)	Full consolidation	100.00%	76.01%	
Simplified joint stock company (SAS)	Clinique Jules Verne	Full consolidation	90.14%	68.52%	
Simplified joint stock company (SAS)	Polyclinique du Trégor	Full consolidation	100.00%	76.01%	
Simplified joint stock company (SAS)	Clinique Mutualiste Bretagne Occidentale	Full consolidation	100.00%	76.01%	Resulting from the merger of the PSQ and SMSA clinics
Simplified joint stock company (SAS)	Clinique Sud Vendée	Full consolidation	94.47%	71.81%	
Property investment partnership (SCI)	SCI Les Biquettes	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI François Rabelais	Full consolidation	99.98%	71.79%	
Property investment partnership (SCI)	SCI Kerjestin	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI Neptune	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI Moulin du Duc	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI SCHO	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI SICAR	Equity method	33.33%	25.33%	
Organisations within the SAFM sub-group					
Simplified joint stock company (SAS)	La Maison des Obsèques - SAFM	Full consolidation	96.67%	96.67%	16 transfers of all assets and liabilities of subsidiaries
Simplified joint stock company (SAS)	Arras Funéraire	Full consolidation	100.00%	96.67%	Merger with Bapaume, SGF, Valencienne
Simplified joint stock company (SAS)	Avignon Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Dauger	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Macon Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Serris	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Centre Funéraire du Bassin	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Marbrerie Regis	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Devaucehelle	Full consolidation	100.00%	96.67%	
Property investment partnership (SCI)	SCI Boussin	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Arnaud d'Anjou	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Arnaud Dominique Pompes Funèbres Marbrerie	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Crématorium Sud Loire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Gouriou	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Hamon Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Garandel Chauvel	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres de l'Ouest	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Phocéennes	Full consolidation	100.00%	96.67%	Merger with AFA, APF AZUR and PFSE
Simplified joint stock company (SAS)	Au Val de Besbre	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Caritas Obsèques	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Pompes Funèbres Le Marchand	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Organisations within the HOSPITALIA sub-group					
Simplified joint stock company (SAS)	Hospitalia	Full consolidation	99.90%	99.90%	
Simplified joint stock company (SAS)	Clinique Benigne Joly	Full consolidation	100.00%	99.90%	
Property investment partnership (SCI)	Talent Roger Renard (TRR)	Full consolidation	100.00%	99.90%	
Organisations within the Foncière HGO sub-group					
Simplified joint stock company (SAS)	Foncière HGO	Full consolidation	63.60%	63.12%	
Property investment partnership (SCI)	SCI Kerlic	Full consolidation	100.00%	63.12%	
Property investment partnership (SCI)	SCI Nantes Est	Full consolidation	100.00%	63.12%	
Property investment partnership (SCI)	SCI Plérin Santé	Full consolidation	100.00%	63.12%	
Property investment partnership (SCI)	SCI Sud Loire	Full consolidation	100.00%	63.12%	
SCIA	SCIA HGO Kerlic	Full consolidation	81.41%	51.38%	Inclusion in the perimeter
Property investment partnerships (SCI)/Insurance real estate companies					
Property investment partnership (SCI)	SCI Groupe MGEFI	Full consolidation	55.00%	55.00%	
Property investment partnership (SCI)	SCI Marcel Rivière	Full consolidation	100.00%	100.00%	
Property investment partnership (SCI)	SCI Philgen	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	Harmonie Mutuelle Foncière et Lieux de Vie	Full consolidation	100.00%	100.00%	Inclusion in the perimeter



Legal form	Organisation	Consolidation method	% control	% interest	Change/Comments
Organisations within the VYVINVEST sub-group					
Simplified joint stock company (SAS)	VYV Invest	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	Chorum Conseil	Full consolidation	100.00%	97.00%	
Simplified joint stock company (SAS)	VYV Services	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	EGAS	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	Medical Administrator International (MAI)	Full consolidation	49.00%	49.00%	
Simplified joint stock company (SAS)	VYV IB	Full consolidation	85.00%	85.00%	
Simplified joint stock company (SAS)	Energie Perspective	Equity method	24.98%	24.98%	
Simplified joint stock company (SAS)	Equasanté	Full consolidation	70.88%	70.88%	
Limited company (SA)	Europamat	Full consolidation	66.53%	66.53%	
Simplified joint stock company (SAS)	Harmonie Conseil	Full consolidation	71.33%	71.33%	
Simplified joint stock company (SAS)	Kalixia	Full consolidation	50.00%	50.00%	
Simplified joint stock company (SAS)	KRG	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	Technosens	Full consolidation	30.00%	30.00%	
Simplified joint stock company (SAS)	Mes Docteurs	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	VYV IA	Full consolidation	52.00%	52.00%	
Limited company (SA)	EGAMO SA	Full consolidation	64.00%	64.00%	
Simplified joint stock company (SAS)	HM Vyv Innovation	Full consolidation	100.00%	100.00%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Novaxes	Full consolidation	100.00%	100.00%	Inclusion in the perimeter
Simplified joint stock company (SAS)	VYV Protection Avenir	Full consolidation	63.16%	63.16%	Inclusion in the perimeter

3.2.3 Organisation of the businesses

The perimeter is divided into three business sectors.

3.2.3.1 Insurance business

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

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

3.2.3.2 Healthcare and Related Services business

This business comprises the following groups (intermediate levels):

- VYV 3: all Book III unions and associations linked directly or indirectly to VYV 3,
- Groupe HDS: health transport and distribution of medical devices businesses,
- Groupe SAFM: funeral businesses,
- Groupe Hospi Grand Ouest: clinic businesses in capital-intensive form,
- Groupe Hospitalia: clinic businesses in capital-intensive form.
- Groupe Foncière HGO: Foncière HGO holding company owns four property investment partnerships (which own the clinic property)

3.2.3.3 Other businesses

- UMG Groupe VYV
- UGM VYV Coopération
- MGEN Union
- Subgroup VYV Invest (holding company that makes equity investments in strategic fields for the group).



3.2.4 Exclusion from the perimeter

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

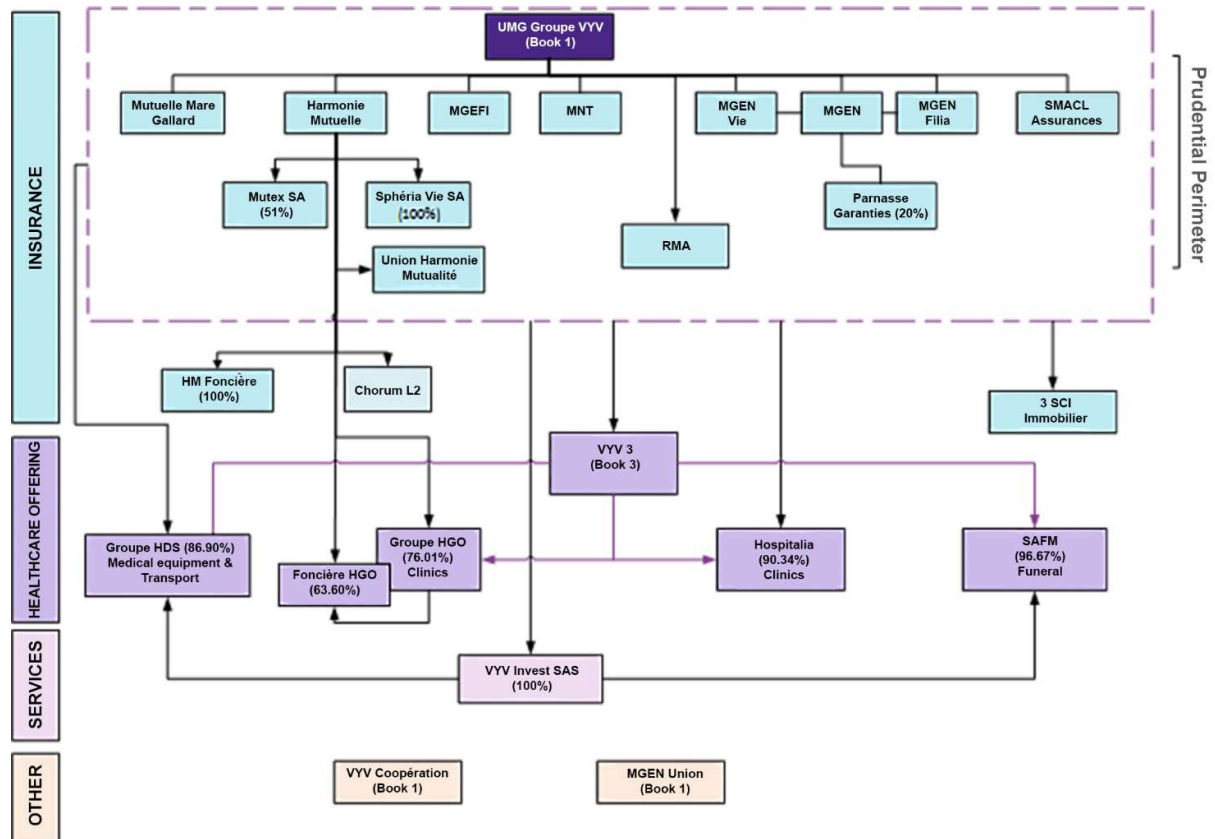
VYV Invest has a 52.04% interest in Groupe Arcade VYV, and controls the two divisions of the Arcade group:

- Coopérer Pour Habiter social housing
- SCCI Arcade property development

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

3.2.5 General perimeter

The organisation of these businesses is summarised below:





3.3 Accounting principles and valuation methods

3.3.1 Accounting and statutory standards

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

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

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

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

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

3.3.2 Duration of financial years - reporting date

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

The reporting date of all companies within the combination and consolidation perimeter is the same as that of the combining entity, i.e. 31 December 2020. The consolidated financial statements of the UMG Groupe VYV were prepared on 31/12/2020.

3.3.3 Valuation methods

3.3.3.1 Consolidation methods

The UMG Groupe VYV applies the combination and consolidation principles.

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

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

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



- For the combination:
 - Including in the financial statements of the combining entity, data from the individual financial statements of the combined organisations, possibly restated;
 - Eliminating intra-group transactions between the combined organisation and the other consolidated or combined organisations of the group.

- For full consolidation:
 - Including in the financial statements of the consolidating entity, data from the individual financial statements of the consolidated companies, possibly restated;
 - Dividing the shareholders' equity and income between the interests of the consolidating company and those of the other shareholders or partners, i.e. the so-called “minority interests”;
 - Eliminating intra-group transactions between the fully-consolidated company and the other consolidated or combined companies of the group.

- For proportional consolidation:
 - Including in the financial statements of the consolidating organisation, the percentage of its interests in the financial statements of the consolidated company, possibly restated. Under this method, no minority interests are therefore generally recognised;
 - Eliminating intra-group transactions between the proportionally-consolidated company and the other consolidated or combined organisations of the group.

- For the equity method: replacing the book value of the securities held by the share of the restated shareholders' equity, in accordance with the consolidation rules.

3.3.3.2 Goodwill

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

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

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

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

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

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



3.3.3.3 Real estate investments

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

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

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

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

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

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

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

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

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

Two property leasing contracts were identified and restated:

- In the UMEFHSPDL for temporary transfer of ownership of an aftercare establishment in Saint Claude;
- In VYV 3 Ile-de-France for the temporary transfer of ownership of the Centre de réadaptation Sainte Marie based in Paris.

These contracts were restated as fixed assets and loans.



3.3.3.4 Investments in securities

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

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

Their realisable value is determined as follows:

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

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

3.3.3.5 Provision for permanent decline in value

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

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

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

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

3.3.3.6 Tangible and intangible assets

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

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



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

3.3.3.7 Stocks

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

3.3.3.8 Receivables and liabilities

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

3.3.3.9 Valuation of the main technical provisions

- Valuation of provisions for benefits to be paid

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

- Valuation of equalisation provisions

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

- Valuation of mathematical provisions

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

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

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

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



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

- Valuation of overall management provisions

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

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

- Valuation of provisions for profit participation

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

Minimum amount of profit participation =

+ 90% of the life technical account,

+ 85% of the life financial account,

+100% of the reinsurance balance ceded.

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

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

$$\frac{\text{PP expense paid in technical interest in the mathematical provisions} + \text{PP expense recognised in participation in profits}}{\text{Net financial income for the year}}$$

- Valuation of (non-life) acquisition expenses

The aim is to make sure that the calculation of acquisition expenses carried forward under non-life business is carried out on a consistent basis with that used to carry forward unearned premiums. These expenses are amortised over the residual term of the policies concerned. If this is the case, the acquisition expenses carried forward are not restated.

- Valuation of acquisition expenses (life)

The following restatements are made:

- Cancellation of acquisition expenses carried forward and provisions for acquisition expenses carried forward,
- Posting in the consolidated financial statements of acquisition charges to be spread, determined in accordance with Regulation CRC 2000-05.

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



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

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

3.3.3.10 Valuation of provisions for liabilities and charges

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

- Social security obligations

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

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

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

The provision was calculated taking into account the following parameters:

- Prospective method;
- Discount rate of 0.35 % (IBOXX Corporate AA10+ index at 30 November 2020);
- Retirement age applied according to the legal table (aged between 60 and 62);
- Mortality table, the main ones used being: INSEE TD-TV 14-16 or INSEE TD-TV 12-14. Use of other tables does not have a material impact on the calculation of provisions. Differences in the choice of parameters are due to local characteristics;
- Turnover rate, based on specific parameters for each organisation;
- Annual salary adjustment rate: specific to each organisation;
- Rate of social security charges specific to each organisation.

Pension obligations linked to defined benefit plans (Article 39 of the French General Tax Code) are also recognised. The provision was assessed according to the following parameters: retirement age 62 to 65, mortality table TGH05 – TGF05, discount rate 0.60%, salary adjustment rate 1%.

- Provisions for major work

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

3.3.3.11 Costs by purpose

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

Charges are classified under the following six purposes:

- Acquisition costs,
- Administrative costs,
- Claims settlement costs,



- Investment charges,
- Other technical charges,
- Non-technical charges.

3.3.3.12 Deferred taxes

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

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

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

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

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

3.3.3.13 Net investment income

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

3.3.3.14 Health benefits paid for by supplementary insurance companies

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

3.3.3.15 Debt issuing charges

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

3.3.4 Main consolidation adjustments

3.3.4.1 Restatement for the purpose of consistency of the financial statements

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



Restatements for the purpose of consistency are only made if they are material. In 2020, restatements were made for:

- Provisions for pensions and similar liabilities:

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

- Revaluation adjustments:

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

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

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

- Right to lease:

The rights to lease not amortised in the individual financial statements are amortised in the consolidated accounts.

3.3.4.2 Consolidation adjustments

The main types of consolidation adjustments involve:

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

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

- Cancelling the capitalisation reserve (mostly Life business)

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

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

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

- Restating the capital grants:

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



- Restating the finance leases or leasing agreements:

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

3.3.4.3 Elimination of intersegment intercompany transactions

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



3.4 Changes in accounting rules and methods or presentation

3.4.1 Changes in accounting principles

None

3.4.2 Changes in valuation rules

None

3.4.3 Changes in presentation rules

None



3.5 Notes to the balance sheet

3.5.1 Goodwill

3.5.1.1 Changes in goodwill

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

In € thousands	Balance 31/12/2019	Acquisitions/Allocations	Disposals/reversals	Other changes	Balance 31/12/2020
Gross value	135,626	40,183			175,809
Amortisation and impairment	(53,992)	(14,287)			(68,278)
Net value	81,634	25,897			107,531

In 2020, eight new entries were posted for goodwill with a total value of €36,490,000, corresponding to:

- Two new entries for goodwill for the VYV Invest subgroup generated by the buyout of minority interests totalling €20,546,000 (mainly for VYV IB totalling €18,067,000 i.e. 34%);
- Three new entries for goodwill in connection with the takeover of companies in the SAFM subgroup, for a total of €15,332,000;
- As well as three new entries for goodwill in connection with the takeover of companies in the HDS subgroup, for a total of €612,000.

At 31/12/2020, amortisation and impairment of goodwill was posted for a total of €14,287,000 corresponding to:

- amortisation expense of €4,253,000 (goodwill generated before 31/12/2016);
- impairment of goodwill of €10,034,000, solely for VYV Invest.

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

3.5.1.2 Breakdown of goodwill by company

Net goodwill amounted to €107,531,000, with the following breakdown:

Company (in € thousands)	Gross goodwill	Accumulated amortisation and impairment	Net goodwill 31/12/2020	Net goodwill 31/12/2019
Sphéria Vie	1,765	(1,765)	0	0
Groupe HDS	28,008	(18,489)	9,519	10,151
Groupe HGO	24,741	(21,228)	3,513	3,827
Groupe SAFM	70,449	(8,368)	62,081	45,749
Groupe VYV Invest	48,538	(16,120)	32,418	21,907
Total	173,501	(65,970)	107,531	81,634



3.5.2 Intangible assets

In € thousands	2019 gross value	Changes in perimeter	Increase	Decrease	Other changes	2020 gross value	Amortisation/Provisions	2020 net value
Preliminary expenses	1,531	12		(8)	146	1,681	(1,675)	6
Research and development costs	4,308	(564)	1,090	(432)	121	4,522	(2,818)	1,705
Concessions, Trademarks and Software packages	343,053	(139)	53,209	(22,753)	5,730	379,100	(276,304)	102,796
Right to lease	23,421	(446)	9,976	(10,957)	1,222	23,216	(19,449)	3,766
Business assets	36,291		383	(164)	516	37,026	(30,747)	6,279
Other intangible assets	60,727		8,721	1,030	428	70,906	(34,954)	35,952
Intangible assets	469,331	(1,138)	73,379	(33,284)	8,163	516,450	(365,946)	150,504

Net intangible assets mainly comprise software packages and concessions with a large proportion linked to the impact of the EIGs MGEN Tech and SIHM. The gross variation in this item recognised in the 2020 financial year of +€36m mainly concerns Harmonie Mutuelle and the EIG SIHM for the acquisition of licences and development of specific software packages (+€22m).

3.5.3 Investments by insurance companies

3.5.3.1 Real estate investments

In € thousands	2019 gross value	Changes in perimeter	Increase	Decrease	Other changes	2020 gross value	Amortisation/Provisions	2020 net value
Undeveloped land	31					31		31
Shares in real estate companies	86,820		16,247	(2,240)	1,003	101,830	(841)	100,990
Real assets excluding use of buildings	16,687		12,426	(14,586)	(12,372)	2,155	(2,008)	147
Shares in unlisted property investment partnerships, Non-operating	44,678		322	(547)	3,694	48,147	(7,743)	40,404
Business premises	829,894		114,239	(125,010)	149,673	968,796	(440,710)	528,086
Equity securities, property investment partnerships, Operating	62,380		4,140	(6,513)	(41,525)	18,482		18,482
Land to be developed	219,332		1,609	(2,322)	22,292	240,911		240,911
Buildings under construction - non-operating	462		409	(462)	(288)	121		121
Business premises under development	7,244		4,058	(988)	1,927	12,241		12,241
LAND AND BUILDINGS	1,267,527		153,451	(152,667)	124,403	1,392,714	(451,302)	941,412

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

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

An increase in the net value (+€33,483,000) was recognised in 2020, mainly due to the inclusion of Harmonie Mutuelle Foncière Lieux de Vie in the consolidation perimeter. This entity was created to group together all of the real estate



assets of Harmonie Mutuelle within a single company. As a result, it acquired all of the operating property investment partnerships held by the mutual insurance company and manages a housing stock with a net book value of €185m.

3.5.3.2 Other investments by insurance companies (excluding real estate)

The other investments shown below exclude real estate investments:

In € thousands	2020 gross amount	Provisions/impairment	2020 net amount	Provisions for impairment during the year	Reversal of provisions for impairment during the year
Investments by related undertakings and undertakings linked by virtue of participating interests	57,498	(14,341)	43,157	(4,351)	10,966
Other investments	14,050,919	(77,705)	13,973,214	(38,941)	1,132
Total	14,108,417	(92,046)	14,016,371	(43,292)	12,098

The remaining provisions concern:

- Impairment of unlisted securities - undertakings linked by virtue of participating interests €14,341,000
- Impairment of loans €10,329,000
- Impairment of unlisted bonds €43,717,000
- Impairment of listed bonds €11,272,000
- Other €12,387,000

TOTAL €92,046,000

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

In € thousands	Gross value 31/12/2020	Net value 31/12/2020	Realisable value 31/12/2020	Unrealised capital gain 31/12/2020	Gross value 31/12/2019	Net value 31/12/2019	Realisable value 31/12/2019
Real estate investments	1,392,714	941,412	1,639,898	698,486	1,267,527	907,929	1,545,790
Investments in related undertakings	57,498	43,157	227,353	184,195	149,802	129,984	152,783
Shares and other variable income securities	101,873	100,387	134,239	33,853	419,130	418,767	468,998
Fixed income UCITS	2,219,355	2,218,629	2,273,027	54,398	1,951,154	1,950,287	2,016,552
Variable income UCITS	2,521,313	2,516,042	3,086,967	570,925	2,071,145	2,068,360	2,566,664
Bonds and other fixed interest securities	7,963,185	7,908,196	10,335,694	2,427,497	7,823,976	7,802,144	9,811,418
Other loans and similar instruments	36,087	25,758	27,382	1,624	36,612	27,470	28,742
Deposits to cedants	570,716	570,716	570,716		559,651	559,651	559,651
Other deposits, sureties and investments	638,390	633,486	633,697	211	313,331	308,479	308,644
Investments by insurance companies	15,501,132	14,957,783	18,928,972	3,971,189	14,592,329	14,173,071	17,459,243

Investments amounted to a total of €14,957,783,000 at 31/12/2020 in net book value.

Insurance investments represent 95% of the total amount of investments and mainly comprise marketable securities, of which 62% are bonds (€7,908m) and 37% are UCITS (€4,735m).



3.5.3.4 Breakdown of investments as % of the net book value

In € thousands	31/12/2020	%
Land and buildings	941,412	6.29%
Investments in related undertakings	43,157	0.29%
Other investments (marketable securities)	13,402,498	89.60%
Receivables from cash deposits to cedants	570,716	3.82%
Total	14,957,783	100.00%

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

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

Property investment partnership securities held by insurance companies - In € thousands	Bearer organisation	2020 gross value	Provision	2020 net value	% interest	Capital	Shareholders' equity	Income
SCI SVF LA CIGOGNE	HMELLE	7,102		7,102	100.00%	7,102	6,685	(43)
SCI DU 8 MAI		5,354	(5,352)	3	99.90%	1,524	(3,831)	
SCI LA FORET		2,156		2,156	99.97%	935	2,470	(215)
SCI MUT'YON		1,523		1,523	26.85%	1,716	8,045	
SCI LA BRIANDERIE		1,264		1,264	65.89%	1,708	2,869	1
SCI DESIRE COLOMBE		520		520	100.00%	484	609	2
SCI LA MUTUALISTE		319		319	44.00%	724	1,735	52
SCI ROMOMUT		290		290	38.00%	762	715	
SCI MSP RETIERS		259		259	30.62%	845	870	25
SCI TREVINS		MGEN	4,438	(1,661)	2,777	28.57%	22,189	6,252
SCI BEL AIR	4,380			4,380	35.03%	12,501	12,118	(52)
SCI MGET	1,000			1,000	99.99%	1,000	1,030	169
SCI TOURS 2 LIONS	SMACL	7,749		7,749	100.00%	301	620	320
SCI NORON VENISE VERTE		7,672		7,672	100.00%	24	364	349
SCI PARIS MORILLON		7,342		7,342	100.00%	16	31	16
SCI HAUTS DE SOUCHE		1,649		1,649	100.00%	39	2,078	370
Other		13,614	(730)	12,884				
Total		66,629	(7,743)	58,886				



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

Investments by insurance companies in € thousands	Bearer organisation	2020 gross value	Provision	2020 net value	% interest	Capital	Shareholders' equity	Income
SAS LA CIGOGNE		2,532	(537)	1,996	94.40%	400	(7)	(283)
SOGESTOP L		2,400		2,400	5.00%	22,897	42,556	(24)
SOLIFAP		1,000		1,000	3.00%	38,105	37,967	
AITIC	HMELLE	545	(545)		99.96%	38	1,122	(4)
SYNERGIE MUTUELLES		500		500	81.04%	617	617	
VIAMEDIS		375		375	2.11%	7,781	3,194	(2,632)
BAUDOQUIN		182	(182)		53.19%	512	585	0
SOGESTOP L	MGEFI	6,078	(3,039)	3,039	13.00%	22,897	42,556	(24)
SOGESTOP L		8,467	(5,651)	2,816	17.64%	22,897	42,556	(24)
SOFAXIS		6,803		6,803	5.00%	N/C	N/C	N/C
CLINICPROSPORT ACTI		3,220	(3,220)		73.22%	N/C	N/C	N/C
OFIVALMO PARTENAIRE	MGEN	2,020		2,020	10.00%	10,000	20,064	4,582
ACT MGEN SOLUTIONS		1,000		1,000	100.00%	N/C	N/C	N/C
IIS		1,000	(1,000)		9.09%	11,000	N/C	N/C
ARISTOTE INVESTMENTS		435		435	3.75%	11,680	N/C	N/C
SOFAXIS		13,600		13,600	10.00%	N/C	N/C	N/C
BANQUE FRANCAISE MUTUALISTE	MNT	4,400		4,400	3.04%	N/C	N/C	N/C
VACANCIEL		500		500	4.61%	N/C	N/C	N/C
OFIVALMO PARTENAIRE	MUTEXSA	3,842		3,842	34.00%	10,000	20,064	4,582
Actions IMA S.A.		334		334	0.43%	N/C	202,379	7,718
Actions SAS LENOVA	SMACL	200	(200)		5.00%	N/C	(1,230)	(164)
		59,433	(14,374)	45,059				

3.5.4 Investments by other companies

In € thousands	Gross value 31/12/2019	Changes in perimeter	Increase	Decrease	Other changes	Gross value 31/12/2020	Impairment	Net value 31/12/2020
Investments by other companies	560,085	3,641	144,816	(3,282)	(4,735)	700,525	(6,846)	693,679
Equity securities of other companies	72,871	4,218	72,555	(5,174)	(86,071)	58,400	(753)	57,646
Total	632,956	7,859	217,371	(8,456)	(90,806)	758,925	(7,599)	751,325

Investments by other companies comprise:

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



Investments by other companies (in € thousands)	Bearer organisation	2020 gross value	Provision	2020 net value	% interest	Capital	Shareholders' equity	Income
SCI DES PETITES VALLEES	APSA	4,304		4,304	98.99%	4,348	4,485	(73)
SCI MAISON DE RETRAITE	MEDIFRANCE	809		809	98.00%	572	1,286	114
SCI MERIGNAC		300		300	75.00%	400	85	(29)
SCI CESTAS CHEMIN ARNAUTON		150		150	75.00%	200	233	10
SCI CENON PIERRE CURIE		105		105	75.00%	140	84	10
GIE GICAL	MFBSAM	91		91	6.07%	1,500	1,500	
SCI SOLIDARITE MUTUALISTE	MFCA	407		407	78.53%	518	2,133	59
SCI CHAMBORD		122		122	99.00%	15	360	4
SCI ROMOMUT	MFCVL	473		473	62.00%	762	715	(3)
GIE GICAL		232		232	15.47%	1,500	1,500	
SCI ANGERS QUATUOR		127		127	7.20%	1,765	1,780	44
SCI LOCATO	MFFM	177		177	100.00%		351	(164)
SCI LA MUTUALISTE	MFVIENNE	347		347	45.47%	724	1,683	63
RESIDENCE DU LAC		143		143	100.00%	40	511	11
GIE PAVILLON RADIOLOGIE	PAVILLONMUT	144		144	99.91%	141	317	
GIE RADIOLOGIE DE GALLIENI		119		119	99.17%	120	115	
SCI MERIGNAC		100		100	25.00%	400	85	(29)
LA BRUZOISE	SAFM	1,823		1,823	100.00%	N/C	N/C	N/C
SAS LA CIGOGNE	SVFA	151	(94)	57	2.81%	400	(7)	(283)
SCI ANGERS QUATUOR	UMFHSPDL	230		230	13.03%	1,765	1,780	44
GIE GICAL	UMTO	91		91	6.07%	1,500	1,500	
SCI ANGERS QUATUOR		91		91	7.19%	1,765	1,780	44
SCIMUTYON	USBMPDL	3,663		3,663	72.94%	1,716	8,045	98
GIE GICAL		599		599	39.93%	1,500	1,500	
SCI ANGERS QUATUOR		184		184	10.42%	1,765	1,780	44
SCI ANGERS QUATUOR	USMPDL	500		500	28.33%	1,765	1,780	44
GIE GICAL	UTML	45		45	3.00%	1,500	1,500	
SCI GROUPE VYV	VYV	1,000		1,000	99.99%	N/C	N/C	N/C
SA H2I	VYV 3	563		563	92.27%	610	599	(11)
SCI ANGERS QUATUOR		484		484	27.42%	1,765	1,780	44
SCIC SA LA COOP DES MASQUES		300		300	35.25%	851	N/C	N/C
GIE GICAL	VYV 3 IDF	10		10	0.01%	1,500	1,500	
SCI CARTOUX	VYV 3 SE	2,241		2,241	51.00%	2	134	132
SCI SUDCEVEN		1,398		1,398	100.00%	388	1,645	52
SCI QUARTIER DES OLIVIERS		684		684	100.00%	246	278	39
GIE GICAL		83		83	5.53%	1,500	1,500	
SCI ANGERS QUATUOR		78		78	4.42%	1,765	1,780	44
GROUPE ARCADE-VYV		VYVINVEST	33,807		33,807	52.04%	219	2,514,454
STREELAB	850			850	17.00%	3,836	4,607	(74)
		57,023	(94)	56,929				

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



3.5.5 Equity method investments

Equity method investments correspond to the share of own funds restated. They mainly relate to Parnasse Garantie (€23,883,000).

3.5.6 Share of assignees and retrocessionaires in the technical provisions

In € thousands	Balance 31/12/2019	Allocation	Reversal	Other changes	Balance 31/12/2020
Life insurance provision	81,602	80,858	(75,584)	(6,010)	80,866
Provision for claims to be paid (Life)	111,873	130,764	(110,739)	471	132,368
Provision for equalisation	4,210	21,276	(4,210)		21,276
Other technical provisions - Life	2,211	2,061	(2,514)	77	1,836
TECHNICAL PROVISIONS - LIFE	199,896	234,959	(193,047)	(5,463)	236,346
Provision for unearned premiums & outstanding risks (Non-life)	5,769	21	(3)	34	5,822
Provision for claims payable (Non-life)	703,925	202,118	(170,602)	637	736,077
Provision for equalisation	49,541	57,685	(50,596)	483	57,113
Other technical provisions - Non-life	694,724	599,515	(527,323)	4,485	771,400
TECHNICAL PROVISIONS - NON-LIFE	1,453,958	859,339	(748,524)	5,639	1,570,413
Provision for unit-linked contracts					
SHARE OF ASSIGNEES AND RETROCESSIONAIRES IN THE TECHNICAL PROVISIONS	1,653,855	1,094,298	(941,571)	177	1,806,759

The share of assignees and retrocessionaires in the technical provisions amounted to €1,806,759,000 at 31/12/2020. It comprises technical provisions reinsured with external organisations.

3.5.7 Receivables

Receivables amounted to €3,020,698,000 at 31/12/2020 and comprised receivables from insurance or reinsurance operations, receivables from companies in the banking sector, and non-trade receivables, as shown below:

3.5.7.1 Receivables from insurance or reinsurance operations

In € thousands	Gross 31/12/2020	Provision	Net 31/12/2020	Net 31/12/2019
Earned but unwritten premiums	212,788		212,788	210,342
Receivables from Policyholders	517,801	(62,903)	454,898	396,715
Insurance intermediaries	28,317		28,317	35,659
Current accounts of co-insurers	97,651	(1,054)	96,598	75,065
Other third parties	29,803		29,803	46,949
<i>Receivables from direct insurance operations</i>	<i>886,360</i>	<i>(63,957)</i>	<i>822,403</i>	<i>764,730</i>
Current accounts of assignees and retrocessionaires	19,900		19,900	21,299
Current accounts of cedants and retrocedants	217,171		217,171	217,314
Reinsurance brokers & other intermediaries				
Reinsurers' share in net earned premiums	477		477	
<i>Reinsurance receivables</i>	<i>237,548</i>		<i>237,548</i>	<i>238,613</i>
Receivables from insurance or reinsurance operations	1,123,908	(63,957)	1,059,950	1,003,343



The increase in net value of €56,607,000 in financial year 2020 was mainly due to Receivables from direct insurance operations (+8%) and in particular to Receivables from Policyholders at Harmonie Mutuelle and MGEN.

3.5.7.2 Receivables from companies in the banking sector

In € thousands	Gross 31/12/2020	Provision	Net 31/12/2020	Net 31/12/2019
Receivables from companies in the banking sector	1,072,485		1,072,485	1,094,405

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

- MGEN: €134,016,000
- SCI Philgen: €96,049,000
- SMACL Assurances: €89,908,000

3.5.7.3 Non-trade receivables

In € thousands	Gross 31/12/2020	Provision	Net 31/12/2020	Net 31/12/2019
Amounts due to and from employees	10,007	(438)	9,569	6,837
Social security and other benefits	12,828		12,828	10,055
State and other public authorities	59,651		59,651	58,253
State - corporate income tax	54,632		54,632	65,454
Current accounts of shareholders, members	82,700	(2,449)	80,251	81,937
Sundry debtors	649,560	(35,290)	614,270	619,175
Deferred tax assets	57,062		57,062	38,318
Non-trade receivables	926,439	(38,177)	888,262	880,030

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



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

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

In € thousands	Less than 1 year	1 to 5 years	More than 5 years	Total 31/12/2020
Premiums yet to be written	279,981			279,981
Premiums to be cancelled	(67,194)			(67,194)
Receivables from policyholders	512,600	33	993	513,625
Insurance intermediaries	28,317	,		28,317
Current accounts of co-insurers	83,605	14,047		97,651
Current accounts of cedants in substitution	4,176			4,176
Other third parties	29,803			29,803
Reinsurance receivables - CA of assignees and retrocessionaires	16,565	3,335		19,900
Reinsurance receivables - CA of cedants and retrocedants	197,153	20,017		217,171
Receivables from transactions in substitution - gross value - related entities				
Receivables from transactions in substitution - gross value - other	477			477
Amounts due from employees	10,001		6	10,007
State, social security, other social welfare bodies - receivables	12,828			12,828
State and other public authorities	59,604	46		59,651
State - corporate income tax	45,490	9,142		54,632
Current account assets with related entities	69,984	6,172	1,591	77,746
Other current accounts	1,768	2,111	1,074	4,954
Shareholders - capital called but not paid				
Sundry debtors (receivables)	476,670	12,973	503	490,146
Accounts receivable - Unbilled revenue	41,454			41,454
Accrued income	110,950	7,010		117,960
Cash at banks, post office accounts, cash desks	1,067,919	2,236	2,330	1,072,485
Total accounts receivable by due date	2,982,152	77,122	6,497	3,065,771

The receivables are mainly current.

3.5.8 Other assets

3.5.8.1 Other property, plant and equipment

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

In € thousands	Gross value 31/12/2019	Change in perimeter	Increase	Decrease	Other changes	Gross value 31/12/2020	Amortisation	Net value 31/12/2020
Deposits	7,548		2,074	(2,329)	(1,720)	5,573		5,573
Other property, plant and equipment	2,330,398	10,144	253,936	(191,773)	145,672	2,548,376	(1,379,279)	1,169,097
Tangible assets	2,337,946	10,144	256,010	(194,102)	143,952	2,553,948	(1,379,279)	1,174,670



3.5.8.2 Other

In € thousands	Balance 31/12/2019	Change in perimeter	Variation	Other changes	Balance 31/12/2020
Net stocks	48,644	(621)	-115	5,306	53,215
Other assets	48,644	(621)	-115	5,306	53,215

Other assets comprise stocks of goods in the healthcare network (Book III) after deducting the associated provisions for impairment, i.e. a net total of €53,215,000 (inventory write-down was immaterial).

3.5.9 Prepayments and accrued income

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

In € thousands	Balance 31/12/2019	Variation	Balance 31/12/2020
Premiums on bonds	3,810	-401	3,409
Interest and rent earned and not due	87,466	-1,881	85,585
Interest accrued but not due - loans to related undertakings	468	-468	
Prepaid expenses	19,421	4,277	23,698
Other prepayments and accrued income	21,171	2,617	23,787
Difference in redemption price	404,115	52,548	456,663
Total prepayments and accrued income	536,449	56,692	593,141

3.5.10 Own funds

3.5.10.1 Statement of changes in group own funds

In € thousands	Initial capital	Consolidated reserves	Profit (loss) for the year	Other funds	Group's share
Consolidated own funds 31/12/2018	1,771,959	2,997,133	67,334	13,507	4,849,932
Appropriation of income		67,334	(67,334)		
Income			(48,478)		(48,478)
Other changes	180,039	(61,837)		(5,295)	112,907
Consolidated own funds 31/12/2019	1,951,997	3,002,629	(48,478)	8,212	4,914,361
Appropriation of income		(48,478)	48,478		
Income			74,213		74,213
Other changes	29,552	65,232		(10,754)	84,030
Consolidated own funds 31/12/2020	1,981,549	3,019,383	74,213	(2,542)	5,072,604

The variation of €158m in the group's own funds was due to:

- The profit (loss) for the year (+€74m);
- Other changes (+€84m), including:
 - Contributions linked to the inclusion in the perimeter of Pavillon de la Mutualité and three related organisations: +€43m, as well as of APSA: +€11.4m, all five falling within the VYV 3 perimeter;
 - Contributions of businesses within existing entities: +€4.8m by Sud-Ouest Mutualité at Harmonie Mutuelle, +€12.5m by Adapei at VYV 3 Ile-de-France and +€7m by the association Alpha at UMEFHSPDL;
 - Inclusion of property investment partnerships previously not consolidated in connection with Harmonie Mutuelle Foncière et Lieux de Vie: +€7.3m;
 - Other: -€2.2m.



3.5.10.2 Statement of changes in minority interests

In € thousands	Minority interests
Consolidated own funds 31/12/2019	452,896
Appropriation of income	
Income	(4,580)
Other changes	9,229
Consolidated own funds 31/12/2019	457,545

The variation of €4.6m in the minority interests was due to:

- Other changes (+€9.2m), mainly corresponding to:
 - Inclusion in the consolidation perimeter of companies not wholly owned by the group, that therefore generate new minority interests (+€7.7m with in particular VVY Protection et Avenir and Médi France);
 - Capital increases, part of which is held by minority interests (+€1.3m mainly at SAFM);
 - Other (+ €0.2m)
- Reduced by the impact of earnings for the period (-€4.6m).



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

Legal form	Organisation	Contribution to group shareholders' equity
Combined unions governed by Book 1 of the French mutual insurance code (<i>Code de la Mutualité</i>)		122,528
Book 1	UMG Groupe VYV	112,856
Book 1	VYV Coopération	6,283
Book 1	MGEN Union	3,389
Unions/mutual insurance companies/combined capital-intensive insurance organisations		4,373,961
Book 2	Harmonie Mutuelle	1,624,553
Book 2	MGEN	2,010,499
Book 2	MGEN Filia	21,654
Book 2	MGEN Vie	37,686
Book 2	MGEFI	172,525
Book 2	MNT	285,413
Book 2	Mare-Gaillard	4,805
Book 2	SMACL	86,941
Book 2	Chorum	8,991
Book 2	Ressources Mutuelles Assistance (RMA)	17,319
Book 2	Union Harmonie Mutualité (UHM)	18,841
Limited company (SA)	Sphéria Vie	(31,655)
Limited company (SA)	MUTEX SA	112,442
Limited company (SA)	Parnasse Garantie	3,947
Unions/mutual insurance companies/other organisations within the VYV 3 sub-group		662,388
Book 3	VYV 3	56,018
Book 3	Mutualité Française Centre Val de Loire (MFCVL)	69,406
Book 3	MGEN Action Sanitaire et Sociale (MGENASS)	62,543
Book 3	Mutualité Française Finistère Morbihan (MFFM)	61,518
Book 3	Union des Services et Biens médicaux des Pays de la Loire (USBMPDL)	55,629
Book 3	Mutualité Française Bourguignonne (MFBSSAM)	51,927
Book 3	Pavillon de la Mutualité	45,224
	Other	260,123
Organisations within the HDS sub-group		(11,065)
Organisations within the HGO sub-group		(29,915)
Organisations within the SAFM sub-group		(14,989)
Organisations within the Hospitalia sub-group		(18,740)
Organisations within the Foncière HGO sub-group		(9,543)
Organisations within the VY Invest sub-group		(22,286)
Insurance property investment partnerships (SCI) and HM Foncière		20,265
TOTAL Combined and consolidated organisations		5,072,604



3.5.11 Subordinated liabilities

In € thousands	Balance 31/12/2019	Increase	Decrease	Other changes	Balance 31/12/2020
Participating shares issued	36,351		(247)	(6,500)	29,604
Fixed-term subordinated bond issues	98	51		6,500	6,649
Other fixed-term subordinated loans		30,000			30,000
Other perpetual subordinated loans	1,300				1,300
Subordinated liabilities	37,749	30,051	(247)		67,553

This item increased by €29.8m this year following the issue of a subordinated redeemable bond by Mutex for €200m, of which €30m was subscribed by entities outside the group (the remainder was subscribed by Harmonie Mutuelle and the UMG Groupe VYV).

3.5.12 Gross technical provisions

In € thousands	Balance 31/12/2020	Balance 31/12/2019
Life insurance provisions	4,415,390	4,527,430
Provisions for benefits to be paid - life	445,108	393,729
Provisions for participation in profits and rebates - life	39,278	41,216
Equalisation provision (life)	64,703	39,847
Other technical provisions (life)	21	48
Technical provisions - life	4,964,500	5,002,270
Provisions for unearned premiums (non-life)	23,544	22,849
Provisions for benefits to be paid - non-life	3,047,822	2,630,001
Provisions for participation in profits and rebates - non-life	4,405	4,670
Equalisation provisions (non-life)	259,481	246,106
Other technical provisions (non-life)	3,482,613	3,302,145
Technical provisions - non-life	6,817,866	6,205,771
Technical provisions - unit-linked	43,697	43,058
GROSS TECHNICAL PROVISIONS	11,826,062	11,251,100

The group covers life obligations totalling 42% and non-life obligations totalling 58%.

It should be noted that the increase in Provisions for benefits to be paid - non-life was partly due to inclusion in this item of the Covid tax (€208m).



3.5.13 Provisions for liabilities and charges

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

In € thousands	Balance 31/12/2019	Provisions	Reversals	Other changes	Balance 31/12/2020
Disputes	12,804	13,663	(1,809)	1,108	25,765
Retirement benefits	174,185	18,902	(14,509)	5,729	184,307
Tax inspections and tax	21		(2)		18
Other	43,074	17,056	(9,618)	3,222	53,733
Deferred taxes to be deducted					
Net goodwill	41,277		(5,897)		35,381
Provisions for liabilities & charges	271,360	49,621	(31,836)	10059172,71	299,204

Provisions for liabilities and charges mainly comprise:

- Provisions for litigation amounting to €25,765,000. Miscellaneous risks are funded such as HR disputes, social security contribution collection agency (URSSAF) audits, disputes with suppliers etc.
- Provisions for pensions amounting to €184,307,000.

For some of the companies included in the combination perimeter, social security obligations are the subject of an off-balance sheet commitment in the individual financial statements. These obligations are therefore recognised in the consolidated financial statements, in accordance with the regulations. This provision covers obligations relating to retirement benefits, long-service awards and supplementary pension obligations linked to defined benefit plans (Article 39 of the French General Tax Code).

The increase in this item is mainly due to the fall in the discount rate from 0.63% in 2019 to 0.35% in 2020, as well as to changes linked to new inclusions in the perimeter.

- Other provisions for liabilities and charges amounting to €53,752,000. The biggest balances concern:
 - VYY 3 Ile-de-France totalling €6,014,000
 - MGEN totalling €4,835,000
 - UMG Groupe VYV totalling €4,439,000
 - Union Mutualiste des Personnes Agées Pays de la Loire totalling €4,427,000
- Provisions for negative goodwill for a total of €35,381,000

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



3.5.14 Other debts

3.5.14.1 Debts from insurance and reinsurance operations

In € thousands	Balance 31/12/2019	Variation	Other changes	Balance 31/12/2020
Debts due to cash deposits	914 261	14,371	(8,193)	920,439
Debts to Policyholders	38 992	11,504	45	50,541
Insurance intermediaries	22 644	-1,312	589	21,921
Current accounts of co-insurers	60 338	12,210	14	72,562
Other third parties	57 388	25,401		82,789
Debts from direct insurance operations	1 093 623	62,174	(7,544)	1,148,253
CA assignees & retrocessionaires - Other	276 185	62,023	5,330	343,538
CA cedants and retrocedants - Other	39 553	-6,306	(2,143)	31,104
Reinsurance brokers & other intermediaries	78			78
Reinsurers' share in net earned premiums	623			623
Reinsurance payables	316 438	55,718	3,187	375,343
Insurance and reinsurance payables	1 410 062	117,891	(4,357)	1,523,596

Insurance and reinsurance payables amounted to €1,523,596,000 at 31/12/2020 and mainly comprised debts for cash deposits for which the biggest contributors were MNT (€511m) and Mutex (€337m).

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

3.5.14.2 Debts to banking sector companies

In € thousands	Balance 31/12/2019	Variation	Other changes	Balance 31/12/2020
Loans from lending institutions	476,033	42,189	54,336	572,557
Bank loans	98,305	-64,354	1,349	35,301
Debts to banking sector companies	574,338	-22,164	55,685	607,859

This item mainly comprises debts to lending institutions (€573m) and concerns fixed rate loans, variable rate loans and structured loans, mainly to finance real estate (held by property investment partnerships) or fixtures linked to the Book III activities.

The bank loans mainly concern USBMPDL (€12m).

Schedule of debts to banking sector companies:

In € thousands	Less than 1 year	1 to 5 years	More than 5 years	Total 31/12/2020
Debts to lending institutions	80,048	205,018	287,491	572,557
Bank loans	35,301			35,301
Total	115,349	205,018	287,491	607,859



3.5.14.3 Other debts

The other debts amounting to €2,548,606,000 had the following breakdown:

In € thousands	Balance 31/12/2019	Variation	Other changes	Balance 31/12/2020
Senior bond issues	500,000			500,000
Deposits and guarantees received - related entities	12,327	-1,097	956	12,186
Deposits and guarantees received - other	138	9	(73)	73
Other loans and similar debts - related entities	18,265	-16,512	(735)	1,018
Other loans and similar debts - other	28,930	-802	5,557	33,685
Other loans, deposits and guarantees received	559,660	-18,403	5,705	546,962
Amounts due to employees	158,883	16,232	8,465	183,580
Debts to social welfare bodies	238,600	11,035	8,586	258,222
State and other public authorities	199,684	-37,003	26,071	188,753
Current accounts of related entities	48,873	-35,536	34,218	47,556
Sundry accounts payable	862,314	264,056	11,221	1,137,590
Unbilled trade accounts payable	68,705	22,084	4,484	95,273
Accrued amounts payable	79,983	10,816	(130)	90,670
Other debts	1,657,044	251,685	92,915	2,001,643
TOTAL OTHER DEBTS	2,216,704	233,282	98,619	2,548,606

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

3.5.14.4 Schedule of repayments of other debts (excluding deferred taxes)

In € thousands	Less than 1 year	1 to 5 years	More than 5 years	Total 31/12/2020
Senior bond issues			500,000	500,000
Deposits and guarantees received - related entities	6,601	730	4,856	12,186
Deposits and guarantees received - other	50	23		73
Total deposits and guarantees received	6,651	753	4,856	12,260
Other loans and similar debts - related entities	(10,532)	3,717	7,833	1,018
Other loans and similar debts - other	11,956	8,352	13,376	33,685
Total other loans, deposits and guarantees received	1,424	12,070	21,209	34,702
Amounts due to and from employees	183,580			183,580
Social security and other benefits	258,222			258,222
State and other public authorities	185,085			185,085
Current accounts of related entities & other current accounts	38,028	402	9,125	47,556
Sundry accounts payable	1,080,257	57,307	27	1,137,590
Unbilled trade accounts payable	95,504	(231)		95,273
Accrued amounts payable	90,670			90,670
Total other	1,931,345	57,478	9,152	1,997,976
Total other debts	1,939,420	70,301	535,217	2,544,938

Other debts are mainly short-term receivables.



3.5.15 Accruals and deferred income

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

In € thousands	Balance 31/12/2019	Variation	Other changes	Balance 31/12/2020
Amortisation of differences in the redemption price to be received	82,853		12,036	94,889
Other accruals	74,307	-9,871	121	64,557
Reciprocal accounts	1,949	-15,496	12,804	(743)
Deferred revenue	83,158	6,672	1,059	90,889
Accruals	242,267	-18,695	26,020	249,593

The accruals and deferred income, which amounted to €249.593m at 31/12/2020, comprise:

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

3.6 Notes to the profit and loss account

3.6.1 Financial income net of charges

In € thousands	Non-life	Life	31/12/2020	31/12/2019
Investment income		88,656	88,656	89,698
Other investment income		76,407	76,407	54,020
Gains on the realisation of investments		8,454	8,454	40,059
Unit-linked life insurance (ULLI) adjustment (capital gains)		7,294	7,294	6,610
Internal and external management costs of investments and interest	97,209	(10,050)	87,160	115,772
Other investment costs		(9,096)	(9,096)	(12,031)
Losses on the realisation of investments		(33,286)	(33,286)	(10,370)
ULLI adjustment (capital losses)		(7,286)	(7,286)	(96)
FINANCIAL INCOME NET OF CHARGES	97,209	121,093	218,303	283,661

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



3.6.2 Corporate income tax

In € thousands Income (+)/Expense (-)	Total 2020	Total 2019
Corporate income tax due (in the individual financial statements)	(38,934)	(51,563)
Deferred tax	23,712	(10,293)
- Temporary differences	424	2,342
- Temporary differences - COVID tax	17,419	
- Capitalisation and use of loss carryforwards	5,268	(12,667)
- Standardising entries	601	32
Total	(15,223)	(61,856)

Only the loss carryforwards that are likely to be deducted from future taxable income were capitalised. It should be noted that this year more loss carryforwards were capitalised than were used (unlike in 2019), in particular €47.7m by Mutex resulting in an increase in deferred tax assets of €12.3m, reduced by use by Harmonie Mutuelle of €31.4m resulting in a decrease in deferred tax assets of €8.1m.

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

It should be noted that in 2020, following the immediate recognition of two instalments of Covid tax in the individual financial statements of the mutual insurance companies concerned, deferred tax was recognised for the second instalment which will only be deductible in 2021.

The table below shows the capitalised and non-capitalised tax losses:

Total In € thousands	31/12/2020	Capitalised loss	Uncapitalised loss
HDS subgroup		4,706	233
HGO subgroup		0	44,077
SAFM subgroup		11,596	0
VYV 3 subgroup		5,200	33,801
MGEN tax group		0	449,785
Hospitalia tax group		0	14,552
Harmonie Mutuelle		0	0
Mutex SA		47,732	0
Sphéria Vie		0	30,019
MNT		0	18,530
SMACL		0	13,236
CHORUM		0	6,328
VYV Invest subgroup		190	24,744
Other		729	5,742
Total		70,154	641,046



Tax proof is provided below:

PROOF OF CONSOLIDATED TAX	31/12/2020	31/12/2019
Net result (Group's share)	74,213	(48,478)
Income tax expense/benefit	(15,223)	(61,856)
Minority interests	(4,580)	2,161
Income from companies accounted for by the equity method	(259)	(278)
Consolidated earnings before tax	84,597	15,260
Theoretical tax rate	28.00%	28.00%
Theoretical tax expense	(23,687)	(4,273)
Reconciliation items		
Unions/mutual insurance companies not liable for tax	3,542	(1,538)
Amortisation of goodwill	(1,703)	(3,480)
Loss carryforwards not capitalised	18,702	(21,470)
Permanent differences (reversal (-)/deduction (+))	(11,144)	(24,644)
Tax credits (excluding CICE)	2,577	3,587
Impact of the change in rate on the calculation of deferred taxes	(2,131)	628
Unrecognised tax on adjustments	70	1,694
Impact of change in the corporate tax rate for the €500,000 bracket	(2,395)	(6,631)
Income from property investment partnerships (tax transparency)	(808)	25
Other, corporate income tax adjustments	1,755	(5,753)
Income tax expense/benefit recognised	(15,223)	(61,856)

3.6.3 Workforce

The group's workforce (consolidated entities) amounted to 42,003 employees in 2020.

3.6.4 Extraordinary profit or loss

In € thousands	Balance 31/12/2020	Balance 31/12/2019
Reversal of provisions for exceptional expenses	201	8,204
Reversal of provisions for exceptional loss in value	15,095	3,372
Other exceptional income	46,073	88,057
Total exceptional income	61,369	99,633
Provisions for exceptional expenses	(2)	379
Provisions for exceptional loss in value	(6,920)	(3,091)
Other exceptional expenses	(57,357)	(46,266)
Total extraordinary charges	(64,279)	(48,978)
Extraordinary profit or loss	(2,910)	50,655



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

There was an extraordinary loss of €2,910,000 in 2020, which does not include particularly significant items. As a reminder, the 2019 extraordinary profit mainly comprised capital gains on the disposal of real estate by SCI Philgen for the Ledru-Rollin site (€36m), the capital gain on the sale of Vigéo securities by VYV Invest (€4m) and the reversal of negative goodwill by Mutex (€6m).

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

Expenses for other businesses in € thousands	Balance 31/12/2020	% of the total	Balance 31/12/2019	% of the total	Variation 2020/2019	Variation (%)
External purchases and expenses	(1,000,200)	37.5%	(931,314)	38.6%	-68,885	7.4%
Payroll expense	(1,250,395)	46.9%	(1,130,884)	46.8%	-119,512	10.6%
Taxes and duties	(131,394)	4.9%	(117,258)	4.9%	-14,136	12.1%
Other operating charges	(98,889)	3.7%	(79,532)	3.3%	-19,357	24.3%
Depreciation and provisions	(183,272)	6.9%	(156,226)	6.5%	-27,046	17.3%
Employee profit-sharing for other businesses	(402)	0.0%	(388)	0.0%	-14	3.6%
Total	(2,664,552)	100.0%	(2,415,601)	100.0%	-248,951	10.3%

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



3.6.6 Segment reporting

3.6.6.1 Profit and loss account by business

In € thousands	Insurance business	Healthcare and Related Services businesses	Other	Consolidated 31/12/2020	Consolidated 31/12/2019
Premiums issued	7,658,230	0	0	7,658,230	7,605,266
Variation in unearned premiums	(843)	0	0	(843)	(1,169)
Earned premiums	7,657,387	0	0	7,657,387	7,604,097
Banking operating income	0	0	0	0	0
Revenue or income from other businesses	48,075	1,949,023	66,615	2,063,713	1,880,871
Other operating income	278,005	284,536	21,876	584,417	521,580
Financial income net of charges	218,303	0	0	218,303	283,661
Total current operating income	544,383	2,233,559	88,491	2,866,433	2,686,112
Insurance benefit expenses	(6,420,357)	0	0	(6,420,357)	(6,636,874)
Net charges for or income from reinsurance cessions	(38,394)	0	0	(38,394)	(11,770)
Banking operating expenses	0	0	0	0	0
Expenses for other businesses	(51,719)	(2,227,967)	(384,867)	(2,664,552)	(2,415,601)
Management expenses	(1,210,151)	0	0	(1,210,151)	(1,199,995)
Total current operating expenses	(7,720,621)	(2,227,967)	(384,867)	(10,333,454)	(10,264,240)
CURRENT OPERATING INCOME	481,148	5,593	(296,376)	190,365	25,969
Intersegment transactions	(286,576)	(13,440)	300,226	210	(116)
CURRENT OPERATING INCOME	194,573	(7,847)	3,850	190,575	25,853
Net investment income	37,380	1,404	(8,696)	30,088	46,656
Other non-technical net income	(121,178)	0	0	(121,178)	(89,608)
Extraordinary profit or loss	(5,777)	(776)	3,643	(2,910)	50,655
Corporate income tax	(15,146)	1,076	(1,153)	(15,223)	(61,856)
INTERMEDIATE BALANCE	89,852	(6,144)	(2,356)	81,352	(28,300)
Unused resources carried forward from previous financial years	0	0	0	0	0
Outstanding commitments for the resources allocated	0	0	0	0	0
NET INCOME FROM CONSOLIDATED COMPANIES	89,852	(6,144)	(2,356)	81,352	(28,300)
Share of profits of companies accounted for using the equity method	594	(1)	(335)	259	278
Amortisation of goodwill	0	(1,944)	(10,034)	(11,978)	(18,295)
NET INCOME OF THE CONSOLIDATED GROUP	90,447	(8,088)	(12,726)	69,633	(46,317)
Minority interests	6,423	266	(2,108)	4,580	(2,161)
NET RESULT (Group's share)	96,869	(7,822)	(14,834)	74,213	(48,478)

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



3.6.6.2 Balance sheet (Assets) by business

ASSETS in € thousands	Insurance	Healthcare and Related Services businesses	Other businesses	Consolidated 31/12/2020	Consolidated 31/12/2019
Uncalled subscribed capital		9,547	1,750	11,296,583	11,848
Net goodwill		75,113	32,418	107,531	81,634
Intangible assets	110,551	21,756	18,197	150,504	135,071
Investments in insurance companies	15,246,415	(173,630)	(115,002)	14,957,783	14,173,071
- Land and buildings	941,412			941,412	907,929
- Investments in related undertakings and undertakings linked by virtue of participating interests	331,789	(173,630)	(115,002)	43,157	129,984
- Other investments	13,402,498			13,402,498	12,575,507
- Receivables/cash deposits to cedant companies	570,716			570,716	559,651
Investments representing technical provisions pertaining to unit-linked contracts	43,124			43,124	42,724
Investments by other companies	(3,043)	265,897	488,472	751,325	626,711
Equity method investments	23,883	34	146	24,063	22,473
Share of cessions and retrocessions in the technical provisions	1,806,759			1,806,759	1,653,855
- Technical provisions - Life	236,346			236,346	199,896
- Technical provisions — Non-Life	1,570,413			1,570,413	1,453,958
Receivables	2,035,238	824,336	161,124	3,020,698	2,977,778
- Receivables from insurance or reinsurance operations	1,059,950			1,059,950	1,003,343
- Receivables from customers of banking sector companies					
- Receivables from banking sector companies	522,468	428,629	121,388	1,072,485	1,094,405
- Non-trade receivables	452,819	395,707	39,736	888,262	880,030
Shares of guarantors in the commitments in substitution	8,313			8,313	9,103
Other assets	186,916	1,028,405	12,563	1,227,884	1,137,693
- Property, plant and equipment	186,916	975,314	12,440	1,174,670	1,089,049
- Other		53,092	123	53,215	48,644
Prepayments and accrued income	579,772	8,658	4,711	593,141	536,449
Translation adjustment					
Total assets	20,037,928	2,060,116	604,380	22,702,424	21,408,411



3.6.6.3 Balance sheet (Liabilities) by business

LIABILITIES in € thousands	Insurance	Healthcare and Related Services businesses	Other businesses	Consolidated 31/12/2020	Consolidated 31/12/2019
Group own funds	4,394,226	578,136	100,242	5,072,604	4,914,361
- endowment fund without rights to recovery or capital	1,658,075	202,074	121,400	1,981,549	1,951,997
- capital reserves arising on consolidation	2,642,611	386,696	(9,924)	3,019,383	3,002,629
- income	96,869	(7,822)	(14,834)	74,213	(48,478)
- Other mutual funds	(3,330)	(2,812)	3,600	(2,542)	8,212
- initial capital with right to recovery	(3,330)	32,640	3,600	32,911	35,973
- earnings controlled by third party		(35,453)		(35,453)	(27,761)
- revaluation adjustments					
- grants					
Minority interests	390,591	52,832	14,122	457,545	452,896
- minority interests - share of reserves	397,014	53,098	12,013	462,125	450,735
- minority interests - share of earnings	(6,423)	(266)	2,108	(4,580)	2,161
- non-group conversion reserves					
Group own funds	4,784,817	630,968	114,364	5,530,149	5,367,257
Subordinated liabilities	62,460	5,093		67,553	37,749
Gross technical provisions	11,782,365			11,782,365	11,208,042
- Technical provisions - Life	4,964,500			4,964,500	5,002,270
- Technical provisions — Non-Life	6,817,866			6,817,866	6,205,771
Technical provisions for unit-linked contracts	43,697			43,697	43,058
Technical commitments on transactions ceded in substitution	9,542			9,542	10,288
Provisions for liabilities and charges & regulated provisions	127,933	148,618	22,652	299,204	271,360
Dedicated funds		40,261		40,261	27,286
Other debts	3,066,171	987,925	625,963	4,680,060	4,201,103
- debts relating to insurance and reinsurance operations	1,523,596			1,523,596	1,410,062
- debts to banking sector companies	152,983	452,905	1,971	607,859	574,338
- debts to customers of banking sector companies					
- debts evidenced by securities		1	500,000	500,001	500,000
- Other debts	1,389,593	535,020	123,993	2,048,605	1,716,704
Accruals and deferred income	160,942	247,250	(158,600)	249,593	242,267
Translation adjustment					
<i>Intersegment transactions</i>					
Total liabilities	20,037,928	2,060,116	604,380	22,702,424	21,408,411



4. Outlook and post-balance sheet events

Stéphane Dedeyan, Chief Executive Officer of the Group, announced his departure from the Group with effect from 28 February 2021.

5. Statutory auditors' fees

The statutory auditors' fees in 2020 amounted to €4,498,000 inclusive of tax for the legal contract to audit the individual financial statements of the consolidated companies and the consolidated financial statements of the UMG Groupe VYV, as well as €285,000 inclusive of tax for services other than certification of the accounts.

The fees of €253,000 inclusive of tax for the audit of the consolidated financial statements were divided equally between Mazars and Grant Thornton.

6. Additional information

None



Appendix 1. Financial statements of the UMG Groupe VYV

Balance sheet

Assets (in €)

Item	Gross amount	Amortisation Provisions	31/12/2020	31/12/2019
Uncalled subscribed capital				
INTANGIBLE ASSETS				
Preliminary expenses				
Development expenses				
Concessions, patents and other similar rights	17,418,352	15,243,884	2,174,469	2,940,162
Goodwill	7,576		7,576	
Other intangible assets				
Intangible assets in progress	1,512,689		1,512,689	573,403
PROPERTY, PLANT AND EQUIPMENT				
Land				
Buildings	331,623	21,078	310,544	
Industrial fixtures, fittings, machinery & equipment	2,557	1,870	687	1,198
Other property, plant and equipment	10,022,479	7,521,874	2,500,605	3,876,278
Construction work in progress	202,319		202,319	16,563
Advances and payments on account				
FINANCIAL ASSETS				
Equity securities				
Other forms of investment	6,171,900	124,000	6,047,900	5,172,000
Long-term investments other than portfolio holdings				
Other long-term investments	247,273,007	51,104	247,221,904	91,489,438
Loans				
Other financial assets	286,536,328		286,536,328	226,497,827
FIXED ASSETS	569,478,831	22,963,810	546,515,021	330,566,869
STOCKS AND WORK IN PROGRESS				
Raw materials & supplies				
Work in progress for production of goods				
Work in progress for services				
Advances and payments on account on orders			0	0
ACCOUNTS RECEIVABLE				
Trade accounts receivable				
Non-trade receivables	77,609,208	79,381	77,529,827	22,552,296
Subscribed capital - called up and unpaid				
MISCELLANEOUS				
Marketable securities (of which own shares:)				
Cash assets	28,144,445		28,144,445	291,645,906
ACCRUALS				
Prepaid expenses	475,579		475,579	1,381,067
CURRENT ASSETS	106,229,231	79,381	106,149,851	315,579,270
Debt issuance costs to be spread				
Differences in the redemption prices to be received	93,400		93,400	35,117
Loan redemption premiums	3,408,500		3,408,500	3,809,500
GRAND TOTAL	679,116,562	23,043,191	656,166,771	649,990,755



Liabilities (in €)

Item	31/12/2020	31/12/2019
Initial capital	114,400,000	114,400,000
Premiums arising from share issues or mergers		
Revaluation adjustments (including equity method adjustment:)		
Legal reserve		
Statutory or contractual reserves		
Regulated reserves (including reserves Prov. Fluctuations in prices)	51,401	51,401
Other reserves (including purchase of original works by artists)	290,043	290,043
Retained earnings/losses brought forward	(5,427,575)	(255,758)
PROFIT (LOSS) FOR THE YEAR	(189,849)	(5,171,817)
Investment grants		
Regulated provisions		
OWN FUNDS	109,124,020	109,313,869
Income from issue of participating shares		
Conditional advances		
OTHER OWN FUNDS		
Provision for contingencies	3,997,000	3,657,647
Provision for charges	8,747,400	7,224,921
PROVISIONS	12,744,400	10,882,568
FINANCIAL DEBTS		
Convertible debenture loans		
Other debenture loans	500,000,000	500,000,000
Borrowings from lending institutions		
Miscellaneous loans and borrowings	4,062,500	4,062,500
Advances and payments on account received on orders in progress		
ACCOUNTS PAYABLE		
Trade accounts payable	15,312,743	10,701,860
Tax and social security liabilities	13,390,311	13,253,528
MISCELLANEOUS LIABILITIES		
Liabilities in respect of fixed assets	690,193	76,240
Other debts	842,605	1,700,190
ACCRUALS		
Deferred revenue		
DEBTS	534,298,352	529,794,318
Translation gains		
GRAND TOTAL	656,166,771	649,990,755



Profit and loss account

Item	France	Exports	31/12/2020	31/12/2019
Sales of goods				
Sales of goods produced				
Sales of services	121,878,954		121,878,954	113,899,275
NET REVENUE	121,878,954	0	121,878,954	113,899,275
Stored production				
Self-constructed capital assets				
Operating grants				
Reversals of impairment write-downs, provisions (and depreciation), transfers of charges			15,579,112	9,750,899
Miscellaneous revenue			26,927	28,659
OPERATING REVENUE			137,484,993	123,678,833
Purchases of goods				
Change in inventory				
Purchases of raw materials and other supplies				
Change in inventory				
Other external purchases and expenses			49,432,153	48,611,847
Taxes and similar levies			7,779,842	6,596,113
Wages and salaries			37,866,674	35,068,071
Social security charges			16,615,411	15,609,673
OPERATING ALLOWANCES				
For fixed assets: depreciation expense			4,630,275	6,693,490
For fixed assets: provisions for impairment				
For current assets: provisions for impairment			79,381	
Allocation to provisions			5,519,479	6,051,519
Other charges			7,634,203	6,577,721
OPERATING EXPENSES			129,557,417	125,208,434
			OPERATING RESULT	(1,529,601)
JOINT VENTURES				
Profit assigned or loss transferred				
Loss incurred or profit transferred				
FINANCIAL INCOME				
Financial income from holdings				
Income from other real property and receivables from fixed assets			915,109	680,558
Other interest and similar income			338,609	230,243
Reversal of impairment write-downs and provisions, transfers of charges			0	828,914
Foreign exchange gains				
Net proceeds from sales of marketable securities			344,614	225,384
FINANCIAL INCOME			1,598,332	1,965,099
Impairment and provisions for financial assets			525,766	413,336
Interest and similar charges			7,906,359	3,784,119
Foreign exchange loss				
Net charges on sales of marketable securities			466,897	400,211
FINANCIAL EXPENSES			8,899,022	4,597,666
			FINANCIAL RESULT	(7,300,690)
			PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	(4,162,168)



Item	France	Exports	31/12/2020	31/12/2019
Exceptional & extraordinary operating profits				
Exceptional & extraordinary income from capital transactions				
Reversals of impairment write-downs and provisions, transfers of charges				
EXCEPTIONAL INCOME			0	0
Exceptional & extraordinary expenses			3,336	578
Exceptional & extraordinary charges on capital transactions			0	6,821
Exceptional depreciation, amortisation and provisions				
EXCEPTIONAL EXPENSES			3,336	7,399
		EXTRAORDINARY PROFIT (LOSS)	(3,336)	(7,399)
Employee profit-sharing				
Income tax expense			813,398	1,002,250
TOTAL INCOME			139,083,324	125,643,932
TOTAL CHARGES			139,273,174	130,815,749
		PROFIT OR LOSS	(189,849)	(5,171,817)



Appendix 2. Extract from the Groupe VYV Solvency and Financial Condition Report (SFCR)

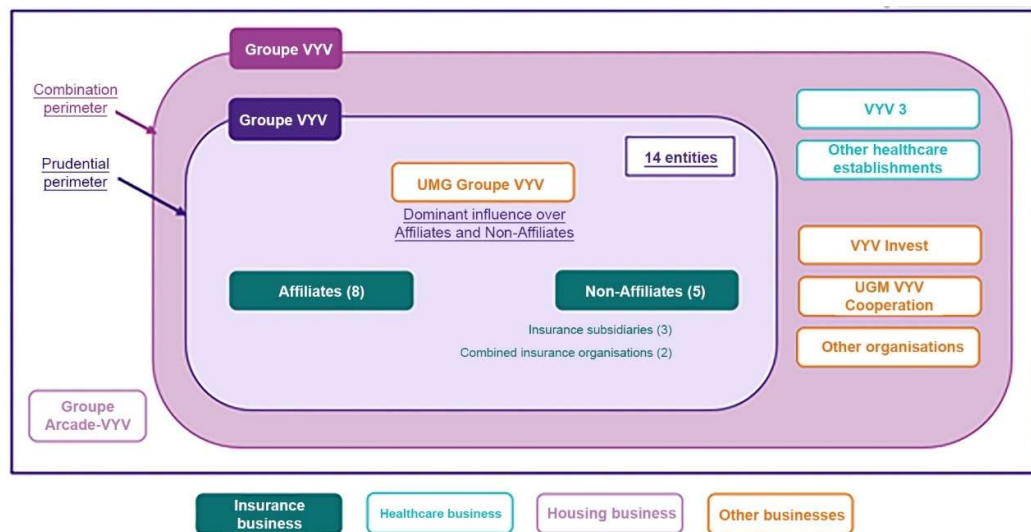
Perimeter

Groupe VYV was created in September 2017 and is both the leading player in health insurance in France and the leading national private non-profit operator for healthcare and related services. As a creator of improved living standards, it wants to ensure that everyone has the right to genuine social protection, thereby contributing to the general interest.

The strength of Groupe VYV lies in its approach to integration and increasing solidarity. Its policies revolve around several organisations that coordinate relations between the group and the mutual insurance companies:

- a strategic and prudential group mutualist union (UMG “Groupe VYV”): the umbrella entity that manages the overall strategy of Groupe VYV, coordinates its implementation and carries out audit missions;
- a healthcare and related services union (“VYV 3”¹ union) which defines the group’s strategy for the health, social and medico-social businesses;
- a group mutualist union (UGM “VYV Cooperation”) that provides policy coordination and exchange of resources and experience between the members of the UGM;
- Groupe Arcade-VYV, the housing pillar of Groupe VYV, combining expertise in housing, health and improved living standards.

In the remainder of the report, unless otherwise indicated, “Groupe VYV” refers to the prudential perimeter of the group as shown in the figure below:



Simplified structure of Groupe VYV and of its different perimeters at 31 December 2020

¹ VYV 3 is the new name of VYV Care since 1 January 2020. The number 3 symbolises its businesses (governed by Book 3 of the French mutual insurance code (Code de la mutualité), its organisation (3 divisions) and its position within the group (3rd business line).



Summary

This report was drawn up based on financial and regulatory data at 31 December 2020.

Groupe VYV had the following key figures:

<i>In €m</i>	31 December 2020	31 December 2019	31 December 2018
GROUPE VYV'S BUSINESS (combination perimeter)			
Groupe VYV's revenue	9,721	9,485	8,686
<i>including Insurance premiums</i>	7,657	7,604	6,933
Groupe VYV's income	74	-48	67
<i>including Insurance income</i>	97	-1	79
GROUPE VYV'S SOLVENCY (prudential perimeter ^[A])			
Solvency Capital Requirement (SCR)	2,964	2,723	2,447
Solvency II own funds	5,197	4,861	3,920
Solvency ratio^[B]	175%	179%	160%
FINANCIAL STRENGTH OF GROUPE VYV			
Rating	On 15 January 2021 Fitch Ratings renewed the rating "A+" assigned to Groupe VYV's main operating entities ^[C] .		

Additional information

^[A] The prudential perimeter is organised via a Group Mutualist Union (UMG). The UMG organises substantial and long-term financial solidarity links between its affiliates which are explicitly mentioned in the articles of association and formalised in an affiliation agreement. At 31 December 2020 the prudential perimeter comprised 14 entities: the UMG Groupe VYV, eight affiliated members and five non-affiliated entities that have combination or capital links with the UMG Groupe VYV.

^[B] The current affiliation agreement between the UMG Groupe VYV and its affiliates introduces a limit to the own funds that are eligible to cover the Groupe VYV's SCR: the affiliates' own funds are not automatically made entirely available under the solidarity mechanism. It should be noted that the affiliation agreement was modified on 31 December 2019, strengthening the solidarity links between affiliates. The solvency ratio takes this limit into account and is calculated in accordance with prudential requirements. A second ratio, called the "aggregated" ratio takes into account all of the own funds held by Groupe VYV without taking into account the limit introduced by the affiliation agreement.

^[C] The Fitch Ratings financial strength rating of "A+" concerns: Harmonie Mutuelle, Mgéfi, MGEN, MNT and Mutex.



A - Business and Performance

Groupe VYV wants to prove the economic and social effectiveness of its non-profit model, and to represent mutualistic performance in tomorrow's world.

With revenue of €9,721m including insurance premiums of €7,657m, Groupe VYV is the leading health insurer in France and the leading national private non-profit operator for healthcare and related services.

On 31 December 2020, the net income of Groupe VYV amounted to €74m (including €97m from insurance businesses) and returned to a level similar to that of 2018 (net income in 2018 amounted to €67m including €79m from insurance businesses), after atypical income in 2019 marked by an interest rate shock and a tax shock. In fact, the 2019 income was marked by:

- the decrease in the interest rates which led to considerable reinforcement of the technical provisions for protection and the provisions for retirement benefits;
- the taxation of variations in unrealised capital gains.

In 2020, although the decline in interest rates continued, the initial effects of the plans to transform the economic models of the group's components made it possible to return to a level of earnings similar to that of 2018.

Furthermore, the health crisis had a mixed impact on Groupe VYV's income which proved to be similar to that anticipated before the health crisis, due to the offsetting of several effects:

- in the insurance businesses:
 - for health, a drop in the number of claims was observed linked to the first lockdown. However, the drop was accompanied by an additional charge due to the introduction of an exceptional tax on the business (2.6% and 1.3% of health revenue in 2020 and 2021 respectively). This tax amounted to a gross amount of €208m at the level of the group and was wholly funded in the accounts at the end of 2020;
 - for protection, an increase in the number of claims was observed at Mutex linked to the increase in the amount of sick leave for childcare or on preventive grounds;
 - for PCI², a drop in the number of claims was observed in particular in the motor vehicle and property damage sectors;
- for the healthcare offering (VYV 3), exceptional support measures by the State made it possible to limit the financial impact in 2020.

These effects should not conceal the positive impact of the structural measures introduced, as 2020 marked the first stage in the realisation of the improvement plans for several entities.

At the same time, the financial markets came under pressure in 2020, rising at the end of the year with the announcement of government support measures, the arrival of vaccines and the American elections. The impact of changes in the financial markets on the earnings of Groupe VYV was therefore moderate, linked to desensitisation of the group's earnings to financial income.

² In the field of insurance, the abbreviation PCI refers to "Property and Casualty Insurance"



B - System of governance

The governance of the UMG 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 Groupe VYV towards third parties;
- The four holders of the key functions who take part in the management of the risk management system and supervision of the business, in their respective fields;
- A committee procedure that favours discussion, coordination and complementarity between the different players.

In accordance with the Solvency II Directive, it respects two basic principles:

- Four eyes principle: all important decisions are examined by two people at least (in this case, the Chairman of the Board of Directors 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 has a dominant influence over the components of the prudential group. In particular, it ensures compliance with the rights and obligations resulting from the articles of association and affiliation agreements for its affiliates.

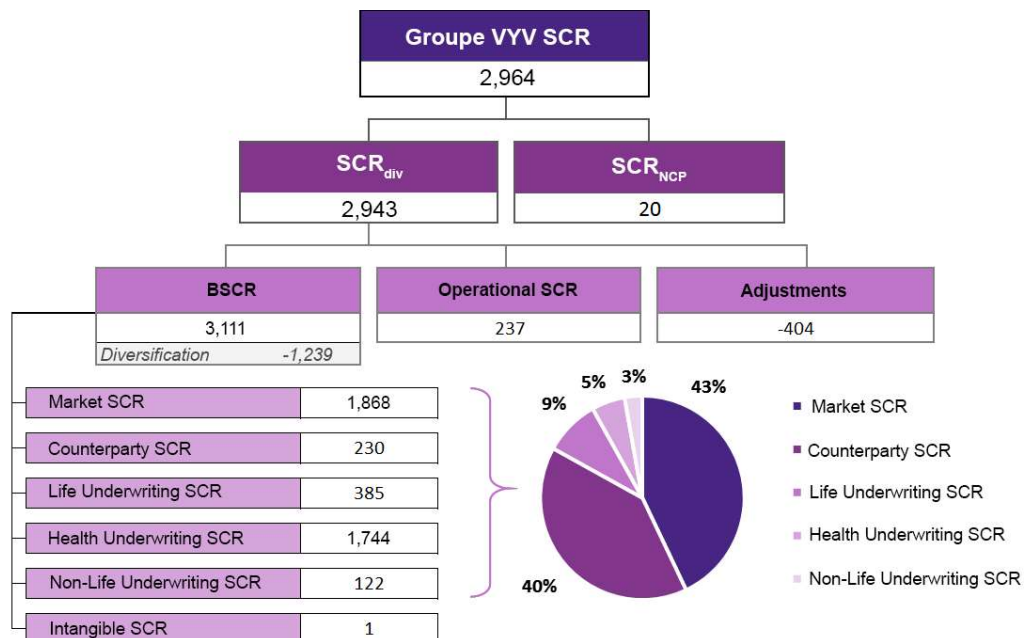


C - Risk profile

The risks borne by Groupe VYV are inherent in its insurance business. Groupe VYV is thus particularly exposed to the risks linked to adverse variations in the financial markets as well as to the various technical risks linked to commitments towards its subscribers (increase in the number of claims, unsuitable pricing, regulatory changes etc.).

Groupe VYV has organised a centralised risk management system to identify the risks to which it may be exposed and ensure they are brought under control.

The solvency capital requirement (SCR) of Groupe VYV and the associated distribution of risks at 31 December 2020 was as follows:



Breakdown of Groupe VYV's SCR at 31 December 2020

Groupe VYV's main risks are the market and health underwriting risks:

- the market risk represents the risk relating to investments made representing obligations to insured persons or the own funds of the components of the group and the UMG Groupe VYV;
- the health underwriting risk is characteristic of the group's business, based on coverage of health risks (74% of the earned premiums) and protection (19% of the earned premiums).



D – Valuation for solvency purposes

The valuations carried out under prudential standards to calculate the solvency ratio comply with the Solvency II Directive, i.e. the amounts applied are those for which the assets and liabilities could be exchanged, transferred or settled under an arm's length transaction between informed and consenting parties.

At 31 December 2020, Groupe VYV's Solvency II balance sheet can be summarised as follows:

<u>In €m</u>	Solvency II value	<u>In €m</u>	Solvency II value
ASSETS		LIABILITIES	
Intangible assets	1	Technical provisions (gross of reinsurance)	13,026
Deferred tax assets	506	Deferred tax liabilities	848
Property, plant & equipment for own use	290	Other liabilities	3,824
Investments	18,617	TOTAL LIABILITIES	17,698
Reinsurance recoverables	1,648	EXCESS OF ASSETS OVER LIABILITIES	6,416
Loans and receivables	2,584		
Other assets	467		
TOTAL ASSETS	24,114		

Summary of Groupe VYV's Solvency II balance sheet at 31 December 2020



E - Capital management

Groupe VYV's capital is managed in a way that ensures that it always meets the solvency requirements of Groupe VYV and of each of its components. To calculate its solvency ratio, Groupe VYV uses the Standard Formula specified by the Solvency II Directive, applying the first method defined by the regulations, called the "consolidation method".

The following table shows the composition of Groupe VYV's own funds at 31 December 2020 and compares them with the same items at 31 December 2019:

<i>In €m</i>		31 December 2020	31 December 2019
Own funds under French standards		4,821	4,747
<i>Differences between French and prudential standards</i>	Revaluation of financial investments	3,403	2,853
	Revaluation of technical provisions	-1,287	-1,124
	Other impacts due to differences in the standards	-456	-226
Available own funds under Solvency II standards		6,481	6,251
Eligible own funds under Solvency II standards		5,197	4,861

Difference between own funds under French standards and prudential standards

At 31 December 2020, the own funds under Solvency II standards were higher than under French standards in particular thanks to the revaluation of financial investments in economic value. This revaluation of assets was partly offset by the revaluation of technical provisions and the related tax impacts.

In the context of the current health crisis, Groupe VYV demonstrates its financial strength. Consequently, at the height of the crisis in financial markets at the end of March 2020, Groupe VYV's solvency ratio only fell by 10 points.

At 31 December 2020, with eligible own funds therefore of €5,197m (of which nearly 99% are classified as Tier 1³), for a capital requirement of €2,964m, the solvency ratio amounted to 175%. The own funds eligible to cover the minimum solvency capital amounted to €5,189m for a capital requirement of €1,044m, i.e. a coverage ratio of 497%.

In accordance with the Solvency II Directive, only own funds that can be mobilised under the solidarity mechanism for affiliated members are deemed to be eligible to cover the capital requirement for the purpose of the solvency ratio. However, Groupe VYV has greater financial strength. For instance, taking into account all of the group's own funds, i.e. €6,058m, Groupe VYV has more than twice its capital requirement and had a ratio, called the "aggregated" ratio of 204% at 31 December 2020.

³ Tier 1 own funds are the highest quality own funds as defined in the Solvency II Directive.



The following table shows Groupe VYV's coverage ratios at 31 December 2020:

<i>In €m</i>	31 December 2020	31 December 2019	Difference
Groupe VYV SCR	2,964	2,723	241
Solvency II own funds	5,197	4,861	335
Solvency ratio	175%	179%	-3%
"Aggregated" own funds	6,058	5,795	263
"Aggregated" ratio	204%	213%	-8%

Presentation of the solvency and "aggregated" ratios of Groupe VYV at 31 December 2020 and at 31 December 2019

There was a drop of three points in the solvency ratio compared with the solvency ratio at 31 December 2019. The drop in the ratio was due to a big increase in the SCR not totally offset by the increase in own funds, which did not make it possible to maintain the solvency ratio at the same level as at the end of 2019. The Solvency II own funds increased due to the profit achieved in 2020 and favourable developments in the financial markets. The increase in the SCR was mainly due to the continued decrease in rates, the rise in the financial markets and taking into account the exceptional health tax.

Furthermore, it should be noted that on 15 January 2021 the rating agency Fitch Ratings renewed its initial rating "A+" assigned on 28 January 2019 to Groupe VYV's main operating entities (Harmonie Mutuelle, Mgéfi, MGEN, MNT and Mutex) in respect of their financial strength.



Groupe VYV, Union Mutualiste de Groupe soumise aux dispositions du Code de la mutualité, immatriculée au répertoire Siren sous le numéro Siren 532 661 832, numéro LEI 969500E016R1LL14UF62, Siège social : Tour Montparnasse - 33, avenue du Maine - BP 25 - 75755 Paris Cedex 15. DirCom Groupe VYV / Agence interne de communication - © GettyImages - 05/21.

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