



Group annual integrated report

UMG Groupe VYV

2021 FINANCIAL YEAR

May 2022

GR O U P E
vyv
Entrepreneur du
mieux-vivre



Contents

Introduction.....	4
1. Management report	5
1.1 Principles of the UMG Groupe VYV.....	5
1.2 Financial market environment.....	7
1.3 Highlights.....	10
1.4 Profit and loss account	12
1.5 Balance sheet.....	19
1.6 Post-balance sheet events.....	22
1.7 Future developments	22
1.8 Corporate social responsibility (CSR)	22
2. Combined financial statements	23
2.1 Balance sheet - Assets.....	23
2.2 Balance sheet - Liabilities	24
2.3 Profit and loss account	25
2.4 Off-balance sheet.....	26
3. Notes to the annual financial statements	27
3.1 Highlights.....	27
3.2 Combination perimeter	29
3.3 Accounting principles and valuation methods.....	38
3.4 Changes in accounting rules and methods or presentation.....	46
3.5 Notes to the balance sheet	48
3.6 Notes to the profit and loss account	65
3.7 Additional information.....	71
4. Appendix 1 – Financial statements of the UMG Groupe VYV.....	72
4.1 Balance sheet.....	72
4.2 Profit and loss account	74



5. Appendix 2. Extract from the Groupe VYV Solvency and Financial Condition Report (SFCR)	76
Perimeter.....	76
Summary	77



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 – 2021 financial year
- Appendix 1: financial statements of the UMG Groupe VYV - extract from the financial report of the UMG Groupe VYV - 2021 financial year
- Appendix 2: extract from the Groupe VYV Solvency and Financial Condition Report – 2021 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 | • MGEN Filia |
| • Mutuelle Mare Gaillard | • MGEN Vie |
| • MGEFI | • MNT |
| • MGEN | • SMACL Assurances |

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 exercising 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

2021 was marked by a steady increase in the equity markets driven by the prospects for strong growth in global economies in spite of the appearance of new Covid-19 variants: delta in March and then omicron in the autumn. The EURO STOXX 50 index rose by about 21% and the US S&P 500 index rose by 27%. Indeed, most of the global macroeconomic data confirmed the scenario of a strong recovery in growth after the gradual reopening of economies in the first half of the year. This rapid recovery in the economy was also due to successive recovery plans by governments and the ultra-accommodative monetary policies of central banks, the negative effect of which was the resurgence of inflation at levels not seen for a very long time. This was also due to the combined effects of the faster-than-expected reopening of the economy, drained stocks, the increase in prices of raw materials, and the blocking of supply chains.

Finally, for their part the bond markets in developed countries showed great resilience: in spite of two-figure nominal rates of growth, inflation at levels not seen since the 1970s and the reassessment of short-term monetary tightening, bond markets in developed zones strongly resisted this combination of markedly bearish factors, although they suffered great volatility. At the end of 2021, the 10-year US rate was 1.51% (compared with 0.92% at the end of 2020) and the 10-year euro rate was -0.18% (compared with -0.57% at the end of 2020).

1.2.2 Sovereign bond markets

The rise in sovereign yields that began in the fourth quarter of 2020 accelerated in 2021 as the inflation figures rose month after month.

The accommodative policy of the European Central Bank made it possible to curb the rise in yields, but without preventing the decline in the sovereign bond market in the euro zone, which showed negative results (-3.4% for the FTSE MTS Eurozone Government Bond Index). The Bund yield remained in negative territory (-0.19%) in spite of a rise of 38 basis points during the year. On the other hand, the fungible treasury bond (OAT) yield returned to positive territory at 0.19% after a rise of 55 basis points. Inflation-linked bonds were the only sovereign bond segment to achieve positive results in the year with a rise of 6.4% for the FTSE MTS Eurozone Inflation-Linked Bond Index.

1.2.3 Corporate bond markets

The market for private sector bonds was more resilient on the whole. The tightening of spreads for investment-grade corporate bonds was insufficient to offset the rise in the risk-free rates, which led to a drop in the indexes for the segment. The iBoxx Euro Corporates Total Return Index showed negative results limited to -1.1%.

The market for high-yield issuers (speculative bonds) achieved positive results (+3.4% for the Bloomberg Euro High Yield Bond index) thanks to a bigger reduction in spreads driven by an appetite for risk and the search for yields by investors in the context of an improvement in the credit fundamentals.

1.2.4 Equity markets

Driven by numerous factors during the recovery phase in 2020, global equity indexes benefited from a rapid rise in corporate profits in 2021 (45% in the United States and 65% in the euro zone) with new records set throughout the financial year and an increase in capitalisation of over USD 10,000 billion during the year.

The CAC 40 exceeded its all-time high, shooting up by 31.1%. The MSCI ACWI global equity index was also up by 19.1%, and the S&P 500, the leading US index, achieved record levels with a rise of over 28% since 1 January 2021. Finally, Euro Stoxx 50, the benchmark index in the euro zone, showed an increase of +23.3%.

However, there were a few striking differences. In the USA, the technology sector emerged as one of the big winners of the pandemic, as its services made it possible to adapt to lockdowns, however almost 65% of Nasdaq gains were by five securities (Microsoft, Google, Apple, Nvidia and Tesla). The CAC 40 took advantage of the very good health of luxury goods shares and the keen interest in technology shares. Cyclical securities rose rapidly in Europe and bank securities had their best year in over ten years with a rise of 33%.



Dragged down by the fall in the Chinese market which represented almost 35% of emerging indexes and by the prospect of the tightening of credit conditions with the rise in US rates, emerging markets were down by 7%. Worst affected were Chinese technology shares listed in Hong Kong which plummeted by 30% due to the measures taken in Beijing to limit their influence. The default during the year by the property developer Evergrande, which struggled to repay a mountain of debt totalling USD 300 billion, taking with it a real estate sector lacking in transparency, was also a major reason for the losses suffered on the Chinese market.

1.2.5 Foreign exchange markets

Although the euro/dollar exchange rate remained between 1.08 to 1.24, where it has been for over three years, the difference in tone between the Fed and the ECB worked in the dollar's favour during the year. The euro lost almost 7% against the reference currency and ended the year at 1.137 dollars. This was also true of its performance against the pound for similar reasons, as the Bank of England (BOE) was even slightly ahead of the Fed, raising its rates for the first time in December from 0.10% to 0.25%. The euro lost almost 6% against the pound. The Japanese currency was the great loser of the year, in view of the very sluggish recovery of the Japanese economy (+1.7%) and fell against the main global currencies (-10.25% against the dollar and -3.6% against the euro) reaching its lowest level in 25 years.

1.2.6 Raw materials markets

Raw materials were the big winners in the year, benefiting from the continuing imbalance between supply and demand present since the economic recovery.

Commodities markets had a good year while the economies that consume the most natural resources tried to return to something like normality. The respective gains by oil and natural gas of 40% and 50% were the best in five years and left prices well above pre-pandemic levels.

Copper, the main industrial metal, hit a record level in April and shot up by almost 25% for the second consecutive year. Zinc showed a similar increase, while aluminium gained 40% in its best year since 2009.

Successive lockdowns and lifting of lockdowns greatly affected global flows, multiplying freight costs by four (Baltic Dry Index) between January and October. That index ended the year up by 62%.

Agricultural products were not outdone: drought, frost and torrential rain ravaged different parts of the world (excessive temperatures in Canada, drought in Brazil etc.) affecting crop yields. For example, maize increased by 25%, sugar by 20% and coffee by 67% during the year.

The domino effect was in full swing in 2021: the rise in energy prices affected the production cost of agricultural commodities which in turn affected meat production costs. There was a surge in the production cost of clothes made from petroleum products such as polyester and nylon. The increase in the price of industrial metals led to an increase in the price of industrial products which in turn affected the production costs of energy, agricultural commodities and industrial metals. Faced with these latent increases, producers stocked up to avoid having to pay when prices were at their highest, increasing the imbalance between supply and demand. At the end of 2021, global stocks were at their lowest levels for a large number of raw materials. For example, world copper reserves amounted to 400,000 tonnes, i.e. less than one week of global consumption, which was the lowest level for twenty-two years. Gas stocks in Europe were one third of their usual level.

1.2.7 Impact on the portfolios

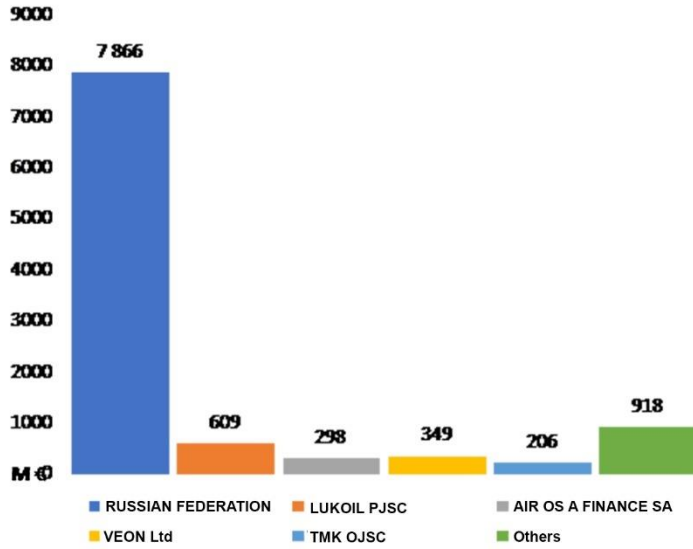
The insurance entities that make up Groupe VYV represented a net book value of €16.6 billion of financial investments at 31 December 2021. These investments were mainly made in bonds which represent about 65% of the portfolio, and in high-yield assets which represent 24% including 10% in real-estate assets. Although they suffered great volatility, the interest rate markets in developed zones resisted strongly, making it possible to limit the erosion of the stock of unrealised capital gains on bonds to €642m during the year. On the other hand, the steady increase in the equity markets and in high-risk assets in general driven by strong economic growth made it possible to partly offset its extent, showing an increase in unrealised capital gains of €278m for equity and €98m for real estate.



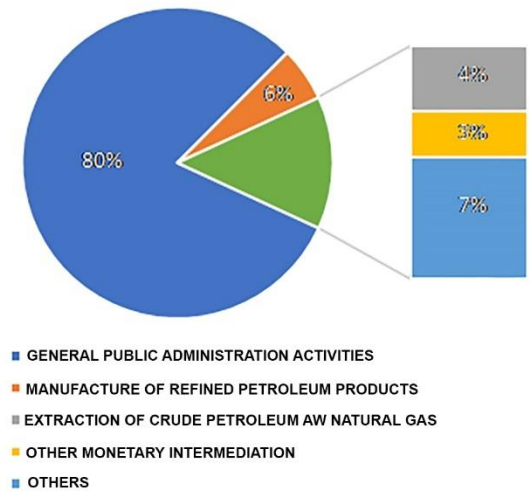
1.2.8 Focus on Russian-Ukrainian exposure

Groupe VYV's exposure amounts to €10m (in market value) and is detailed below:

Russian-Ukrainian exposure by issuer



Russian-Ukrainian exposure by sector





1.3 Highlights

1.3.1 Concerning the Group's business

1.3.1.1 Post-Covid-19 year

After 2020 which was marked by the start of the Covid-19 epidemic and resulted in a decrease in health benefits, partly offset by a "covid tax" (-€208m in the 2020 financial statements), the 2021 financial year was characterised by a strong recovery in medical consumption, linked to the effects of postponement and the deployment of the "100% Santé" reform.

This mainly resulted in a benefits/premiums ratio similar to that of 2019.

Furthermore, the healthcare businesses benefited from financing measures by regulatory authorities (regional healthcare agencies - ARS).

1.3.1.2 Fitch Ratings

On 14 January 2022 Fitch Ratings confirmed the A+ financial strength rating of Groupe VYV. Its rating outlook is Stable. The A+ rating concerns the following entities:

- Harmonie Mutuelle
- MGEN
- Mutex
- MNT
- MGEFI (with a Rating Watch Negative issued on 1 February 2022)

Fitch emphasised some of the strengths of Groupe VYV in its assessment:

- Very strong business profile,
- Very strong financial soundness,
- Moderate asset risk.
- Leading position in health insurance in France,

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

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 Acquisition of Mutex securities

At the end of June 2021, Groupe VYV acquired a 36.33% interest in Mutex S.A. (33.33% by VYV Invest; 3.00% by MGEN) for a total price of €218m. This operation generated additional negative goodwill of €71m, recognised in provisions for liabilities and charges. This negative goodwill is reversed over the residual term (5.5 years until 31/12/2026). The impact amounted to an extraordinary profit of +€6.5m, in addition to the reversal of existing goodwill of €5.9m, i.e. a total of +€12.4m.

1.3.2.2 Transfer of the SMACL Assurances portfolio

SMACL Assurances carried out a spin-off for €70m (with a real value of €86.1m) to SMACL S.A., in return for which it received an interest in SMACL S.A. worth €86.1m, representing 27.45% of the capital.

In addition, the UMG Groupe VYV contributed €5m in cash to SMACL S.A. and received an interest for the same amount, representing 1.96% of the capital.

Overall, Groupe VYV therefore has an interest of 29.41% in SMACL S.A.

The contribution date, in view of the suspensive conditions, is 31/12/2021 at midnight.

The capital gain generated by this contribution amounts to €6.6m.



1.3.2.3 Within the VYV 3 division:

- Reorganisation of the businesses and entities, in the Centre Val de Loire region: MFCVL became VYV 3 Centre Val de Loire, and acquired MFEL and SVFA
- Reorganisation of the businesses and entities in the Brittany region: creation of an umbrella organisation, VYV 3 Bretagne.

1.3.2.4 SAFM subgroup

In the funeral subgroup, acquisition of a new company (La Bruzoise), generating goodwill of €2m and 2 mergers (number of entities is still 20).

1.3.2.5 HDS subgroup

Six acquisitions and absorptions of companies (one by HMS and five by Harmonie Ambulance).

1.3.2.6 HGO subgroup

In the HGO subgroup, dissolution of the three property investment partnerships (SCIs) in Saint Brieuc, previously held by Hôpital Privé des Cotes d'Armor.

1.3.2.7 VYV Invest

During the financial year, in addition to the shares in Mutex mentioned in § 1.3.2.1, VYV Invest acquired:

- 20% of Viamedis for a price of €7.3m, generating goodwill of €4.7m;
- 30% of Yvon Assurances, for a price of €0.1m;
- the remaining shares of Equasanté (29%), for a price of €1.2m.

1.3.3 Other

1.3.3.1 Revaluation adjustment – SCI Philgen

As a reminder, in the combined financial statements, any revaluations are cancelled (amount in the balance sheet, allocations for the financial year). The revaluation adjustment of SCI Philgen was therefore cancelled when Groupe VYV was first consolidated in 2017. It amounted to €140.9m at 31/12/2020.

However, during the analyses carried out in 2021, it was determined that this difference amounted to €191.8m. An adjustment of €50.9m was therefore made, as a deduction from own funds, on 01/01/2021 (as this entry would originally have been deducted directly from own funds).



1.4 Profit and loss account

The consolidated net result for financial year 2021 was a profit of €79.8m compared with a profit of €74.2m in 2020.

In €m	Insurance	Healthcare and Related Services	Other	31 December 2021	31 December 2020	Variation	%
Premiums earned	7,710.7			7,710.7	7,657.4	53.3	0.7%
Insurance benefit expenses	-6,619.7			-6,619.7	-6,420.4	-199.3	3.1%
Net charges for or income from reinsurance cessions	-43.4			-43.4	-38.4	-5.1	13.2%
Technical Margin (excluding expenses)	1,047.6			1,047.6	1,198.6	-151.1	-12.6%
<i>Benefits/premiums</i>	<i>86.4%</i>			<i>86.4%</i>	<i>84.3%</i>		
Revenue or income from other businesses	29.7	2,124.6	58.8	2,213.1	2,063.7	149.4	7.2%
Other operating income	275.1	302.2	16.9	594.1	584.4	9.7	1.7%
Expenses for other businesses	-70.3	-2,401.0	-378.7	-2,850.0	-2,664.6	-185.5	7.0%
Management expenses	-1,234.6			-1,234.6	-1,210.2	-24.4	2.0%
Other non-technical net income	-87.8			-87.8	-121.2	33.4	-27.6%
Intersegment	-290.0	-18.2	308.2	0.0	0.2	-0.2	
Net operating costs	-1,377.9	7.6	5.1	-1,365.1	-1,347.5	-17.6	1.3%
<i>% management fees</i>	<i>17.9%</i>			<i>17.7%</i>	<i>17.6%</i>		
OPERATING RESULT	-330.3	7.6	5.1	-317.5	-148.9	-168.6	113.2%
<i>Combined ratio</i>	<i>104.3%</i>			<i>104.1%</i>	<i>101.9%</i>		
Amortisation/provisions for goodwill	0.0	-1.8	-8.6	-10.4	-12.0	1.6	-13.3%
Financial result	380.1	-4.8	-6.7	368.6	248.4	120.2	48.4%
Extraordinary profit or loss	13.6	13.0	-2.1	24.5	-2.9	27.4	-941.1%
EARNINGS BEFORE TAX	63.4	14.0	-12.2	65.2	84.6	-19.4	-23.0%
Corporate income tax	28.3	-5.4	-2.5	20.3	-15.2	35.5	-233.5%
Share of profits of companies consolidated under the equity method	0.7	0.0	-1.0	-0.3	0.3	-0.6	-215.6%
Minority interests	-3.7	-0.8	-0.9	-5.4	4.6	-10.0	-217.8%
NET RESULT (Group's share)	88.7	7.8	-16.7	79.8	74.2	5.6	7.5%



1.4.1 General comments on business

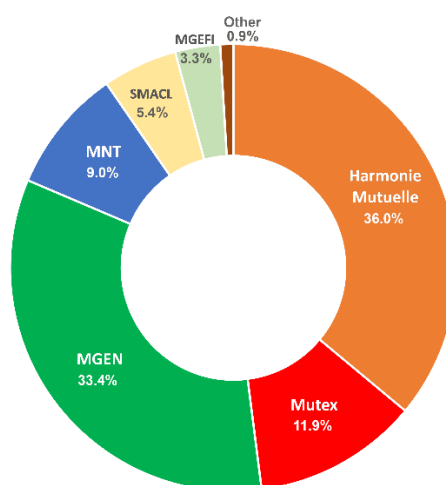
- Net income from the “**Insurance**” business at 31/12/2021 amounted to €88.7m. The main contributors were:
 - MGEN (including Vie, Filia, SCI Philgen and SCI Marcel Rivière): +€58.8m
 - Mutex: +€23.5m
 - MNT: +€19.1m
 - MGEFI: +€5.1m
 - Sphéria Vie: +€0.7m
 - Mutuelle Mare-Gaillard: -€0.3m
 - SMACL: -€10.8m
 - Harmonie Mutuelle (including HM Foncière et Lieux de Vie): -€11.3m

The net income of Groupe VYV was mainly marked by a return to a level of claims similar to 2019 (pre-covid) with a negative impact on the technical result compared with 2020.

- The “**Healthcare and Related Services**” business showed a profit of €7.8m including the positive impact of support measures by regulatory authorities. It should be noted that improvements in earnings were observed in all VYV 3 perimeters, SAFM, HGO, HDS and Hospitalia.
- “**Other**” business showed a loss of -€16.7m mainly due to the impairment of all of the goodwill recognised for the holdings in KRG and TBNO.

1.4.2 Earned premiums: €7,711m

Gross earned premiums in 2021 totalled €7,711m with the following breakdown:



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

- An increase of €62m for MGEN, representing 2.5% (price rise for the MSP range, increase in the number of subscribers);
- A drop of €18m for Mutex linked to the cancellation of health policies of social security employees (UCANSS).



1.4.3 Gross insurance benefits expenses: €6,620m

Gross insurance benefits expenses in millions of euros	2021 amount	% of the total	2020 amount	% of the total	Variation 2021/2020	Variation (%)
Benefits and Management fees	6,665.4	100.7%	5,845.0	91.0%	820.4	14.0%
Mathematical provisions	-142.9	-2.2%	-201.8	-3.1%	58.9	-29.2%
Costs of provisions for claims	-56.3	-0.9%	470.5	7.3%	-526.8	-112.0%
Variation in the equalisation provision	-22.8	-0.3%	38.3	0.6%	-61.1	-159.6%
Expenses for other technical provisions	92.0	1.4%	172.7	2.7%	-80.7	-46.7%
Profit-sharing	84.2	1.3%	95.7	1.5%	-11.5	-12.0%
Total	6,619.7	100.0%	6,420.4	100.0%	199.3	3.1%

Gross benefits expenses increased by €199m. This change is due to the combined effects of:

- Overall increase in benefits following a year marked by the Covid-19 health situation in which there was a fall in consumption of healthcare costs;
- Effect of the Covid tax totalling €208m in 2020, not renewed in 2021.

The benefits/premiums ratio increased by 2.1 points from 84.3% to 86.4%.

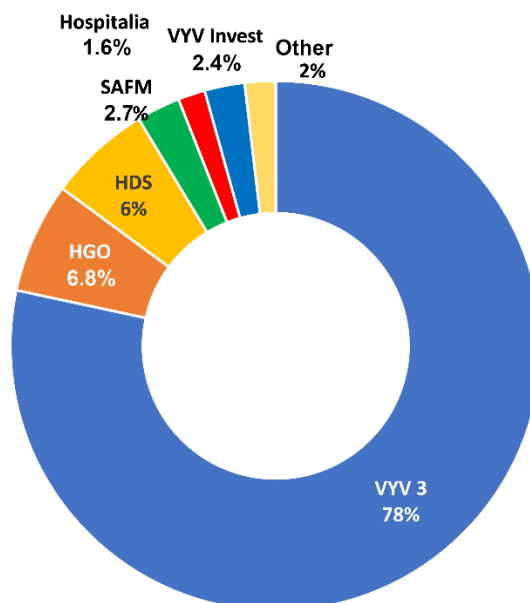
1.4.4 Ceded reinsurance result: -€43m

Management fees in millions of euros	2021 amount	2020 amount	Variation 2021/2020	Variation (%)
Reinsured premiums	-625.2	-619.7	-5.5	0.9%
Reinsured benefits	505.7	553.2	-47.6	-8.6%
Reinsurance commission	76.1	28.1	48.0	171.0%
Total	-43.4	-38.4	-5.1	13.2%

The main contributors to the reinsurance income in 2021 were SMACL Assurances and MGEN.



1.4.5 Revenue - other businesses: €2,213m



Revenue from other businesses includes:

- Revenue from Healthcare and Related Services businesses totalling €2,125m i.e. +€176m (+9.0%) compared with 2020. 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 €176m is mainly due to:
 - Growth in the “Products and services” businesses (in particular hearing aids and eyewear).
 - Financing measures by regulatory authorities.
- Revenue from the other businesses totalling €59m, i.e. -€8m compared with 2020 (due to reclassification in the accounts).
- Revenue of the “Insurance property investment partnerships (SCI)” and of HM Foncière et Lieux de Vie totalling €30m.

1.4.6 Other operating income: €594m

Other operating income increased by €10m, linked to the rise in revenue. This item comprises:

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



1.4.7 Expenses for other businesses: €2,850m

Expenses for other businesses in millions of euros	2021 amount	% of the total	2020 amount	% of the total	Variation 2021/2020	Variation (%)
External purchases and expenses	1,080.5	37.9%	1,000.2	37.5%	80.3	8.0%
Taxes and duties	140.0	4.9%	131.4	4.9%	8.6	6.5%
Payroll expense	1,363.2	47.8%	1,250.4	46.9%	112.8	9.0%
Other operating charges	92.9	3.3%	99.3	3.7%	-6.4	-6.4%
Depreciation and provisions	173.5	6.1%	183.3	6.9%	-9.8	-5.3%
Total	2,850.0	100.0%	2,664.6	100.0%	185.5	7.0%

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 for “Revenue or income from other businesses” and “Other operating income”.

1.4.8 Management expenses: €1,235m

Management fees in millions of euros	2021 amount	% of the total	2020 amount	% of the total	Variation 2021/2020	Variation (%)
Acquisition costs	317.0	25.7%	346.2	28.6%	-29.2	-8.4%
Administrative expenses	324.1	26.3%	340.5	28.1%	-16.4	-4.8%
Other technical expenses	593.5	48.1%	523.5	43.3%	70.0	13.4%
Total	1,234.6	100.0%	1,210.2	100.0%	24.4	2.0%

The level of management fees (including for “intersegment” fees) remained almost stable at 19.8% in 2021 compared with 19.6% in 2020. 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.

1.4.9 Miscellaneous revenue net of non-technical charges: -€88m

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 MNT.

1.4.10 Amortisation and impairment of goodwill: -€10m

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: -€1.5m
- TBNO (MesDocteurs): -€5.3m
- KRG: - 3.3m



1.4.11 Financial result: +€369m

This item comprises:

- the share of the financial result allocated to the technical result for insurance entities: +€261m
- the share of the financial result not allocated to the technical result for insurance entities: +€119m
- the financial result of non-insurance entities: -€11m

The main contributors were:

- Mutex: +€208m
- MGEN: +€78m
- Harmonie Mutuelle: +€74m
- MNT: + €14m
- UMG Groupe VYV (cost of borrowing): - €6m

The financial result increased by €120m compared with 2020 thanks to outsourcing of capital gains in a favourable financial context.

1.4.12 Extraordinary profit or loss: +€24m

The main significant items were:

- Exceptional expense for Mutex (reserving of escheated policies): -€6m
- Reversal of negative goodwill for Mutex (amortised over 15 years): +€12m
- Capital gain on SMACL SA contribution: +€7m
- Other (capital gains on the sale of assets, amortisation of grants): +€12m

1.4.13 Corporate income tax: + €20m

Corporate income tax comprises:

- Income tax expense due totalling -€12m (entered in the individual financial statements of the organisations subject to corporate tax).
- Deferred tax revenue totalling +€32m.

This deferred tax revenue was mainly from the capitalisation of deferred taxes by MGEN (loss carry forward and temporary tax differences) for the first year.

1.4.14 Share of profits of companies consolidated under the equity method: -€0.3m

The main companies that contributed to this item were:

- Parnasse Garanties: + €0.9m
- Energie Perspective ("EP"), Technosens, Viamedis and Yvon Assurances: - €1.0m

1.4.15 Minority interests: -€5m

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

- Mutex: - €3.6m
- VYV Invest perimeter: - €1.0m
- Groupe HGO/Foncière HGO: - €0.6m



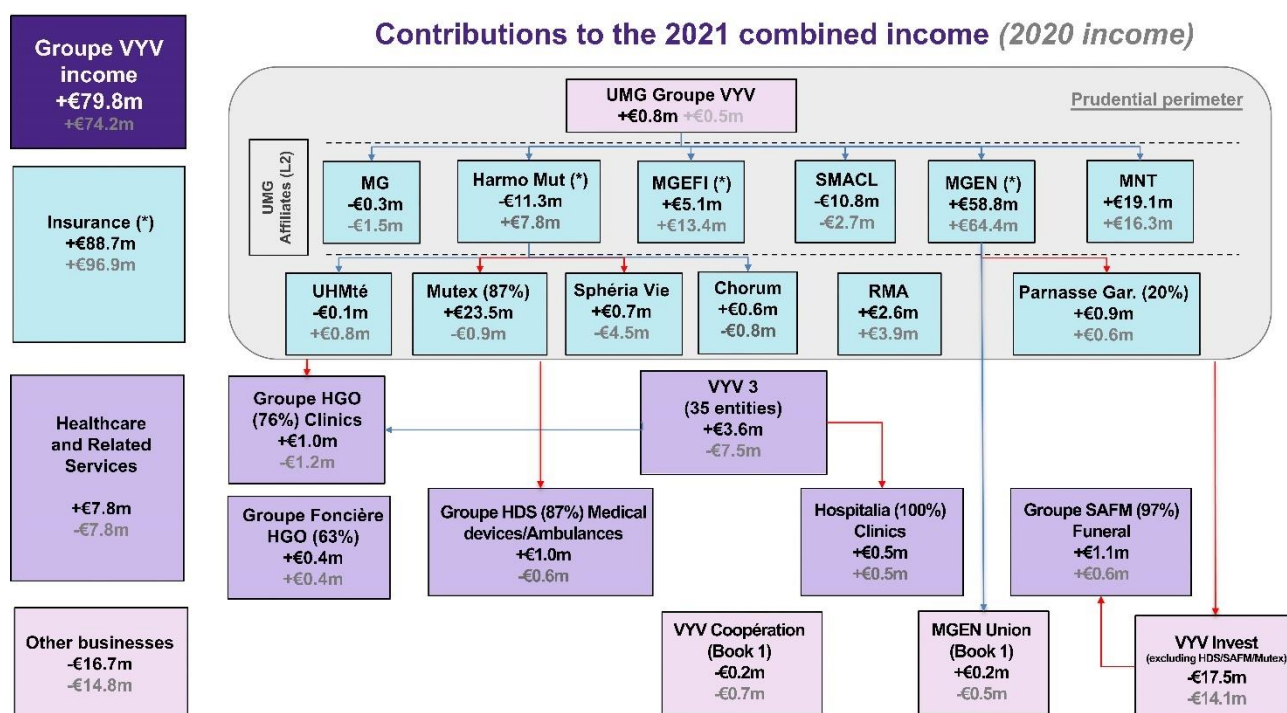
Regarding Mutex, since the acquisition of 36.33% took place at the end of June 2021, the following shares were taken into account:

- 48.63% of earnings in the first quarter of 2021, i.e. €2.4m;
- 12.30% of earnings in the second quarter of 2021, i.e. €1.2m;

i.e. a share attributable to minority interests of €3.6m in the 2021 financial year.

1.4.16 Income per entity/sub-group

The net income of +€79.8m is shown in the organisation chart below:





1.5 Balance sheet

1.5.1 Assets (in €m)

	31 December 2021	31 December 2020	Variation
Net goodwill	110.5	107.5	3.0
Other intangible assets	112.0	150.5	-38.5
Investments by insurance companies	14,629.5	15,000.9	-371.4
Investments by other companies	588.2	751.3	-163.2
Equity method investments	107.8	24.1	83.7
Share of assignees and retrocessionaires in technical provisions	1,764.3	1,806.8	-42.4
Receivables	2,884.6	3,032.0	-147.4
Share of guarantors in the commitments in substitution	0.0	8.3	-8.3
Other assets	1,254.7	1,227.9	26.8
Accruals	656.4	593.1	63.2
Total assets	22,107.9	22,702.4	-594.5

1.5.2 Liabilities (in €m)

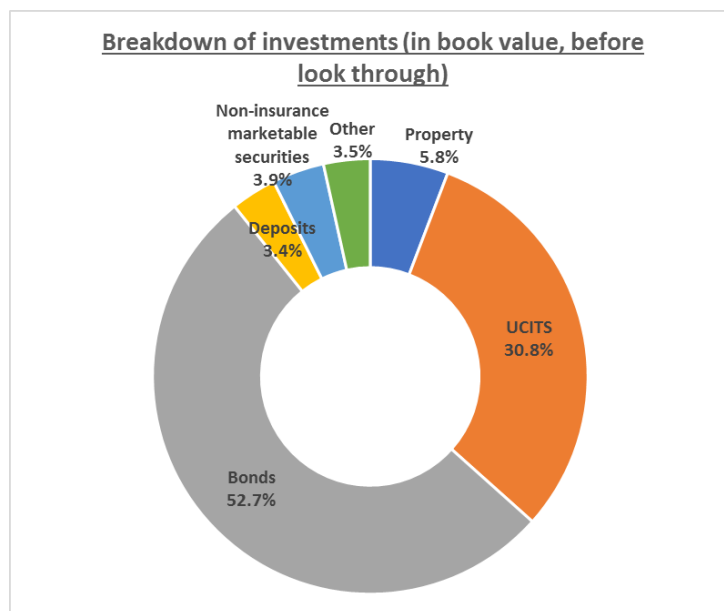
	31 December 2021	31 December 2020	Variation
Own funds	5,100.7	5,072.6	28.1
Minority interests	170.2	457.5	-287.4
Subordinated liabilities	43.9	67.6	-23.6
Gross technical provisions	11,241.8	11,835.6	-593.8
Provisions for liabilities and charges	352.6	299.2	53.4
Dedicated funds	69.0	40.3	28.8
Other debts	4,851.3	4,680.1	171.3
Accruals	278.3	249.6	28.7
Total liabilities	22,107.9	22,702.4	-594.5

The balance sheet total amounted to €22,108m compared with €22,702m at 31/12/2020. The decrease of €595m is mainly linked to the contribution of business by SMACL Assurances to SMACL SA (consolidated under the equity method) corresponding to a balance sheet total of about €600m.



1.5.3 Financial investments: €15,217m

Financial investments (in net book value) had the following breakdown:



1.5.4 Equity method investments: €108m

Equity method investments mainly concern:

- SMACL SA for a total of €78m.
- Parnasse Garanties for a total of €25m
- investments by VYV Invest totalling €5m

1.5.5 Own funds: €5,101m

The increase of €28m was mainly due to:

- The profit for the 2021 financial year: + €80m
- Amortisation adjustment for SCI Philgen: - €51m

1.5.6 Minority interests: €170m

Minority interests had the following breakdown:

- Mutex: €99m
- Foncière HGO: €41m
- VYV Invest perimeter: €12m
- Property investment partnerships: €6m
- Groupe HDS: €4m
- Medi France: €3m
- Groupe HGO: €3m
- Groupe SAFM: €2m

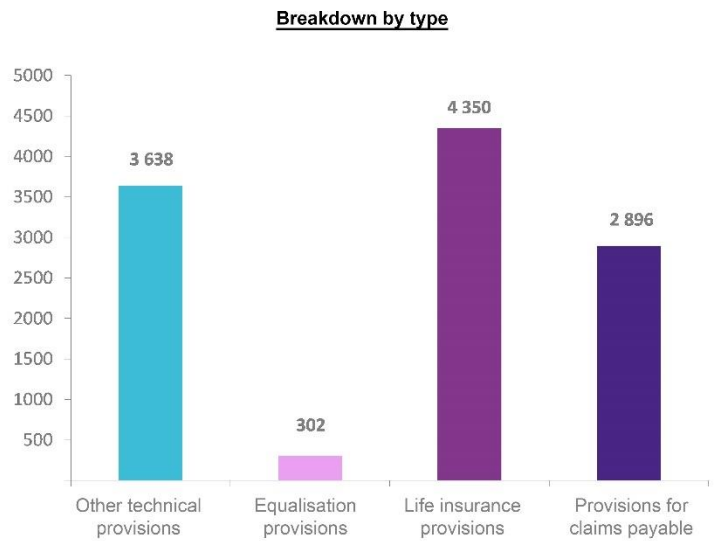
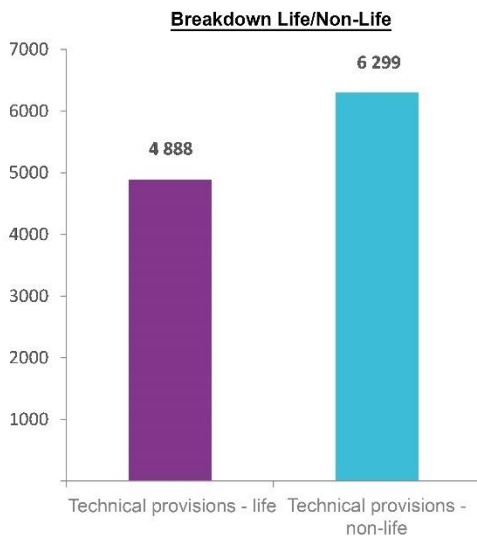
1.5.7 Technical provisions: €11,242m

The technical provisions gross of reinsurance were divided between:



- 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) according to the business (life/non-life) and the nature of the obligations.





1.6 Post-balance sheet events

The invasion of Ukraine by Russia on 24 February constitutes a post-balance sheet event. It did not have a financial impact on the financial statements for the period to 31/12/2021 insofar as it was an event relating to a new situation. Initial analyses of Groupe VYV's exposure show that the direct financial impact is not very significant (cf. detailed analysis in 1.2.8)

1.7 Future developments

On 27 January 2022 the Board of Directors of MGEFI decided to start the process of disaffiliation from the UMG Groupe VYV. This decision was ratified by an Extraordinary General Meeting of MGEFI in March 2022.

MGEFI remains affiliated to the UMG Groupe VYV in 2022 and was still combined at 31/12/2021.

1.8 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 provide a declaration of non-financial performance (DPEF) for the 2021 financial year.

The UMG Groupe VYV is not subject to this obligation. However, Groupe VYV publishes a DPEF voluntarily. This covers the obligations of the organisations concerned.



2. Combined financial statements

2.1 Balance sheet - Assets

In € thousands	31/12/2021	31/12/2020
Intangible assets	222,466	258,036
- Including goodwill	110,487	107,531
Investments by insurance companies	14,581,069	14,957,783
- Land and buildings	882,102	941,412
- Investments in related undertakings	309,203	43,157
- Other investments	13,231,141	13,402,498
- Deposits to cedants	158,624	570,716
Investments representing UL obligations	48,412	43,124
Investments by other companies	588,169	751,325
Equity method investments	107,802	24,063
Share of assignees and retrocessionaires in the technical provisions	1,764,338	1,806,759
- Share of assignees in provisions - (life)	271,544	236,346
- Share of assignees - (non-life)	1,492,795	1,570,413
Receivables	2,884,575	3,031,995
- Receivables from insurance or reinsurance operations or cessions in substitution	1,063,433	1,059,950
- Receivables from customers of banking sector companies		
- Receivables from banking sector companies	884,632	1,072,485
- Non-trade receivables	936,510	899,559
Share of guarantors in the commitments in substitution		8,313
Other assets	1,254,729	1,227,884
- Property, plant and equipment	1,202,624	1,174,670
- Other	52,106	53,215
Prepayments and accrued income	656,370	593,141
Total assets	22,107,930	22,702,424



2.2 Balance sheet - Liabilities

In € thousands	31/12/2021	31/12/2020
Own funds	5,100,666	5,072,604
- endowment fund without rights to recovery or capital	2,254,224	1,981,549
- Capital reserves arising on consolidation and income	2,853,190	3,093,596
Other mutual funds	-6,749	-2,542
Minority interests	170,194	457,545
Subordinated liabilities	43,938	67,553
Gross technical provisions	11,186,852	11,782,365
- life insurance provisions	4,887,699	4,964,500
- non-life insurance provisions	6,299,153	6,817,866
Technical provisions - unit-linked	48,520	43,697
Technical commitments on transactions ceded in substitution	6,447	9,542
Provisions for liabilities and charges	352,618	299,204
Dedicated funds	69,043	40,261
Other debts	4,851,311	4,680,060
- debts relating to insurance and reinsurance operations	1,610,694	1,523,596
- debts to banking sector companies	584,439	607,859
- debts to customers of banking sector companies		
- debts evidenced by securities	500,001	500,001
- Other debts	2,156,177	2,048,605
Accruals (liabilities)	278,339	249,593
Total liabilities	22,107,930	22,702,424



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 31/12/2021	Total 31/12/2020
Written premiums	7,210,017	569,360			-66,788	7,712,589	7,658,230
Variation in unearned premiums	-1,886	0			0	-1,886	-843
Premiums earned	7,208,131	569,360	0	0	-66,788	7,710,702	7,657,387
Banking operating income						0	0
Revenue or income from other businesses	0	0	1,741,958	503,893	-32,753	2,213,098	2,063,713
Other operating income	266,745	42,765	544,257	140,854	-400,475	594,147	584,417
Financial income net of charges	118,131	142,505			45	260,681	218,303
Total current operating income	384,876	185,270	2,286,215	644,747	-433,184	3,067,925	2,866,433
Insurance benefit expenses	-6,105,529	-554,400			40,258	-6,619,672	-6,420,357
Net charges for or income from reinsurance cessions	-61,760	-4,495			22,810	-43,445	-38,394
Banking operating expenses						0	0
Expenses for other businesses			-2,282,426	-625,758	58,149	-2,850,035	-2,664,552
Management expenses	-1,444,282	-163,552	0	0	373,269	-1,234,565	-1,210,151
Total current operating expenses	-7,611,571	-722,447	-2,282,426	-625,758	494,486	-10,747,716	-10,333,454
Intersegment transfers	0	0	0	0	8	8	207
OPERATING RESULT before amortisation and impairment of goodwill	-18,564	32,183	3,789	18,989	-5,477	30,919	190,572
Amortisation of goodwill						-10,386	-11,978
Other non-technical net income						20,170	-91,087
OPERATING RESULT after amortisation and impairment of goodwill						40,704	178,594
Extraordinary profit or loss						24,474	-2,910
Income tax						20,327	-15,223
NET INCOME FROM CONSOLIDATED ENTITIES						85,504	-21,713
Share of profits of companies consolidated under the equity method						-299	259
NET INCOME OF THE CONSOLIDATED GROUP						85,205	69,633
Minority interests						-5,397	4,580
NET RESULT (Group's share)						79,808	74,213



2.4 Off-balance sheet

2.4.1 Commitments of insurance companies

In € thousands	31/12/2021	31/12/2020
COMMITMENTS RECEIVED		
Contractual commitments	454,434	411,597
Other commitments received	23	121,714
COMMITMENTS GIVEN		
Endorsements, security, and credit guarantees	59,450	59,361
Other commitments given	217,171	183,740
OTHER COMMITMENTS		
Securities received as collateral from reinsurers		
Other reciprocal commitments		

2.4.2 Commitments of other companies

In € thousands	31/12/2021	31/12/2020
COMMITMENTS RECEIVED		
Contractual commitments	66,661	61,833
Other commitments received	16,461	37,283
COMMITMENTS GIVEN		
Security, collateral, mortgage etc.	168,692	151,439
Other commitments given	65,094	11,289
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 Post-Covid-19 year

After 2020 which was marked by the start of the Covid-19 epidemic and resulted in a decrease in health benefits, partly offset by a "covid tax" (-€208m in the 2020 financial statements), the 2021 financial year was characterised by a strong recovery in medical consumption, linked to the effects of postponement and the deployment of the "100% Santé" reform.

This mainly resulted in a benefits/premiums ratio similar to that of 2019.

Furthermore, the healthcare businesses benefited from financing measures by regulatory authorities (regional healthcare agencies - ARS).

3.1.2 Concerning the perimeter

3.1.2.1 Acquisition of Mutex securities

At the end of June 2021, Groupe VYV acquired a 36.33% interest in Mutex S.A. (33.33% by VYV Invest; 3.00% by MGEN) for a total price of €218m. This operation generated additional negative goodwill of €71m recognised in provisions for liabilities and charges. This negative goodwill is written back over the residual term (5.5 years until 31/12/2026). The impact amounted to an extraordinary profit of +€6.5m, in addition to the existing €5.9m, i.e. a total of +€12.4m.

3.1.2.2 Transfer of the SMACL Assurances portfolio

SMACL Assurances carried out a spin-off for €70m (with a real value of €86.1m) to SMACL S.A., in return for which it received an interest in SMACL S.A. worth €86.1m, representing 27.45% of the capital.

In addition, the UMG Groupe VYV contributed €5m in cash to SMACL S.A. and received an interest for the same amount, representing 1.96% of the capital.

Overall, Groupe VYV therefore has an interest of 29.41% in SMACL S.A.

The date of contribution, in view of the suspensive conditions, is 31/12/2021 at midnight.

The capital gain generated by this contribution amounts to €6.6m.

3.1.2.3 Within the VYV 3 division:

- Reorganisation of the businesses and entities in the Centre Val de Loire region: MFCVL became VYV 3 Centre Val de Loire and acquired MFEL and SVFA
- Reorganisation of the businesses and entities in the Brittany region: creation of a VYV 3 Bretagne umbrella organisation.

3.1.2.4 SAFM subgroup

In the funeral subgroup, acquisition of a new company (La Bruzoise), generating goodwill of €2m, and 2 mergers (number of entities is still 20).

3.1.2.5 HDS subgroup

Six acquisitions and absorptions of companies (one by HMS and five by Harmonie Ambulance).



3.1.2.6 HGO subgroup

In the HGO subgroup, dissolution of the three property investment partnerships (SCIs) in Saint Brieuc, previously held by Hôpital Privé des Cotes d'Armor.

3.1.2.7 VYV Invest

During the financial year VYV Invest acquired

- 20% of Viamedis for a price of €7.3m, generating goodwill of €4.7m
- 30% of Yvon Assurances for a price of €0.1m
- the remaining shares of Equasanté (29%), for a price of €1.2m

3.1.3 Other

3.1.3.1 Revaluation adjustment – SCI Philgen

As a reminder, in the combined financial statements, any revaluations are cancelled (amount in the balance sheet, allowances for the financial year). The revaluation adjustment of SCI Philgen was therefore cancelled when Groupe VYV was first consolidated in 2017. It amounted to €140.9m at 31/12/2020.

However, during the studies carried out in 2021, it was determined that this difference amounted to €191.8m. An adjustment of €50.9m was therefore made, as a deduction from own funds, on 01/01/2021 (as this entry would originally have been deducted directly from own funds).



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

Compiling this list made it possible to identify more than 300 organisations (mutual insurance companies, unions, limited companies, simplified joint stock companies, EIGs, property investment partnerships, associations) including 230 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, VYV INVEST and SAFM).

Furthermore, certain exclusions apply, for the following reasons:

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

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

- MGEN
- MGEN Centres de Santé
- MGEN Partenaire
- MGEN Vie
- MGEN Action Sanitaire et Sociale
- ClinicSport
- MGEN Filia
- SAS MGEN Solutions
- MGEN Union
- 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 share ownership. 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 2021 UMG Groupe VYV consolidation perimeter comprises 120 entities.

3.2.2 List of entities within the perimeter at 31 December 2021

The following table lists the 120 entities combined at 31 December 2021. 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 (<i>Code de la Mutualité</i>)					
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
Mutual insurance company	SMACL SA	Equity method	29.41%	29.41%	Inclusion in the perimeter Balance sheet: Equity method Profit and loss account: Full consolidation



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	87.70%	87.70%	Acquisition of securities by VYV Invest and MGEN
Limited company (SA)	Parnasse Garanties	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%	
Association	APSA	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	Medi France Europe	Full consolidation	86.60%	86.60%	
Book 3	VYV3 Bretagne Biens Médicaux (former MSSERVICES)	Full consolidation	100.00%	100.00%	VYV3 Bretagne regionalisation
Book 3	Mutualité Française Bourguignonne (MFBSSAM)	Full consolidation	100.00%	100.00%	
Book 3	VYV3 Bretagne Sanitaire et Social (former MFFM)	Full consolidation	100.00%	100.00%	VYV3 Bretagne regionalisation
Book 3	VYV3 Bretagne (Umbrella organisation)	Full consolidation	100.00%	100.00%	VYV3 Bretagne regionalisation
Book 3	Mutualité Française de la Vienne (MFV)	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	VYV3 Bretagne Retraite (former MR22)	Full consolidation	100.00%	100.00%	VYV3 Bretagne regionalisation
Book 3	VYV3 Bretagne Seniors (former MR29-56)	Full consolidation	100.00%	100.00%	VYV3 Bretagne regionalisation
Book 3	VYV3 Bretagne Domicile (former MSSAD)	Full consolidation	100.00%	100.00%	VYV3 Bretagne regionalisation
Book 3	VYV3 Bretagne Santé Services (Former MEF22)	Full consolidation	100.00%	100.00%	VYV3 Bretagne regionalisation
Book 3	VYV3 Bretagne Santé Social (Former MSSOCIAL)	Full consolidation	100.00%	100.00%	VYV3 Bretagne regionalisation
Book 3	VYV3 Bretagne Travail Adapté (Former MTP)	Full consolidation	100.00%	100.00%	VYV3 Bretagne regionalisation
Book 3	Pavillon de la Mutualité	Full consolidation	100.00%	100.00%	
Association	SCAPA	Full consolidation	100.00%	100.00%	



Property investment partnership (SCI)	SCI Clinique Mutualiste du Medoc	Full consolidation	99.98%	86.58%	
Property investment partnership (SCI)	SCI Pessac	Full consolidation	100.00%	86.60%	
Book 3	Union de Gestion Clinique Mutualiste de l'Estuaire (UGCME)	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 la Porte de l'Orient (UGCMPO)	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 Villa Notre Dame (UGVND)	Full consolidation	100.00%	100.00%	
Book 3	UMT- Terres d'Oc (UMTO)	Full consolidation	100.00%	100.00%	
Book 3	Union Thiernoise des Mutuelles (UTM)	Full consolidation	100.00%	100.00%	
Book 3	Union Territoriale Mutualiste Lorraine (UTML)	Full consolidation	100.00%	100.00%	
Book 3	VYV3 Centre Val de Loire (former MFCVL)	Full consolidation	100.00%	100.00%	Absorption of MFEL + SVFA
Book 3	VYV 3 Ile-de-France	Full consolidation	100.00%	100.00%	
Book 3	VYV3 Pays de Loire (former USMPDL)	Full consolidation	100.00%	100.00%	Change of name
Book 3	VYV3 Pays de Loire pole accompagnement et soins (former UMEFHSPDL)	Full consolidation	100.00%	100.00%	Change of name
Book 3	VYV3 Pays de la Loire pole Personnes Agées (former UMPAPDL)	Full consolidation	100.00%	100.00%	Change of name
Book 3	VYV3 Pays de Loire pole Services et Biens médicaux (former USBMPDL)	Full consolidation	100.00%	100.00%	Change of name
Book 3	VYV 3 Sud Est	Full consolidation	100.00%	100.00%	



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%	
Simplified joint stock company (SAS)	Taxis Saint Christophe	Full consolidation	100.00%	86.90%	Inclusion in the perimeter
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	87.11%	66.22%	
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%	
Simplified joint stock company (SAS)	Clinique Sud Vendée	Full consolidation	94.47%	71.81%	
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 Moulin du Duc	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI SCHO	Full consolidation	100.00%	76.01%	
Organisations within the SAFM sub-group					
Simplified joint stock company (SAS)	La Maison des Obsèques - SAFM	Full consolidation	96.67%	96.67%	
Simplified joint stock company (SAS)	Arnaud Dominique Pompes Funèbres Marbrerie	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)	Arras Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Caritas Obsèques	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)	Centre Funéraire du Bassin	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Devaucehelle	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)	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)	La Bruzoise	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%	
Simplified joint stock company (SAS)	Macon 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)	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%	
Property investment partnership (SCI)	SCI Boussin	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Serris	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Au Val de Besbre	Full consolidation	100.00%	96.67%	
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%	99.91%	
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%	
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%	



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%	100.00%	
Limited company (SA)	EGAMO SA	Full consolidation	64.00%	64.00%	
Simplified joint stock company (SAS)	EGAS	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	Energie Perspective	Equity method	24.98%	24.98%	
Simplified joint stock company (SAS)	Equasanté	Full consolidation	100.00%	100.00%	
Limited company (SA)	Europamut	Full consolidation	66.53%	66.53%	
Simplified joint stock company (SAS)	HM VYV Innovation	Full consolidation	100.00%	100.00%	
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)	Mes Docteurs	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	Novaxes	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	Technosens	Equity method	30.00%	30.00%	
Simplified joint stock company (SAS)	Viamedis	Equity method	20.00%	20.00%	Inclusion in the perimeter
Simplified joint stock company (SAS)	VYV Conseil (former Harmonie Conseil)	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	VYV IA	Full consolidation	52.00%	52.00%	
Simplified joint stock company (SAS)	VYV IB	Full consolidation	85.00%	85.00%	
Simplified joint stock company (SAS)	VYV Protection Avenir	Full consolidation	63.16%	63.16%	
Simplified joint stock company (SAS)	VYV Services	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	YVON Assurances	Equity method	30.00%	30.00%	Inclusion in the perimeter

3.2.3 Organisation of the businesses

3.2.3.1 Insurance business

This business comprises 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, SMACL SA 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), excluding investments linked to the Insurance (Mutex) and Healthcare and Related Services sectors (SAFM, HDS).

3.2.4 Exclusions from the perimeter

3.2.4.1 Entities that are members of VYV3, that are not combined

In 2021, Mutualité Française Limousine and Mutualité Française Normandie joined VYV 3, which in theory should have led to their inclusion in the combination perimeter. However, in view of incompatibilities in the schedule, these two entities were unable to meet the constraints of the group's timetable.

According to ANC Regulation 2020-01, entities can be excluded from the combination perimeter (Article L233-19 of the French Commercial Code) if the information required to draw up the combined financial statements cannot be obtained within time limits compatible with the time limits set for making available the annual financial reporting documents to the statutory auditors.

The provisional (not final) figures for these two unions are presented below.

In €m	Mutualité Française Limousine	Mutualité Française Normandie	Subtotal	% of the combined balance sheet	Combined financial statements 31/12/2021
<i>Profit and loss account items</i>					
Revenue	64.9	128.4	193.4	1.9%	9,923.8
Operating result	2.6	1.2	3.8	12.1%	30.9
Net income	1.4	-0.5	0.9	1.1%	79.8
<i>Balance sheet items</i>					
Financial investments	2.0	28.1	30.1	0.2%	15,217.6
Balance sheet total	64.9	136.4	201.4	0.9%	22,107.9
Own funds	30.5	89.1	119.6	2.3%	5,100.7
Financial debts	17.8	8.9	26.7	2.5%	1,084.4

3.2.4.2 Groupe Arcade

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:

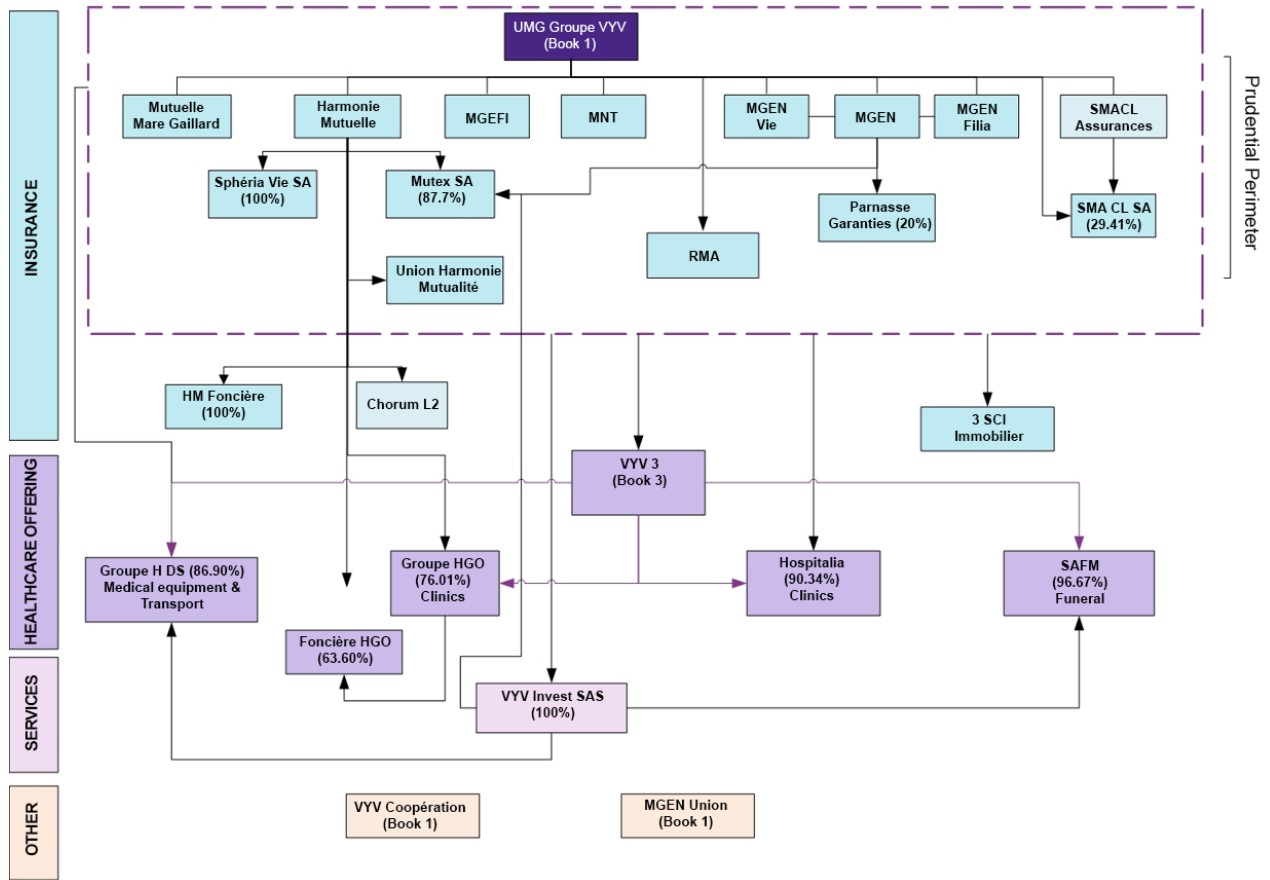
- Coopérer Pour Habiter social housing
- SCCI Arcade property development



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 National Accounting Council - CNC). Consequently, Groupe Arcade is 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, and in particular Regulation 2020-01 of the French accounting standards authority (ANC).

These requirements are sufficient to provide a true and fair view of the assets, financial situation and combined income of 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 2021. The consolidated financial statements of the UMG Groupe VYV were prepared on 31/12/2021.

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 ANC Regulation 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 depreciation 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.

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).

Significant leasing agreements were identified and restated:

- In Pavillon de la Mutualité for the carrying costs of medical devices (MRI, scanner) in the clinics;
- In VYV 3 Ile-de-France for the property carrying costs 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 periods are shown below:

Intangible assets	Depreciation period
Right to lease	The term of the lease (generally 9 years)
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 ceded reinsurance balance.

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:

$$\text{(Profit participation expense paid in technical interest in the mathematical provisions + profit participation expense recognised in participation in profits) / Net financial income for the financial year}$$

- 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.

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 each year 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 0.87 % (IBOXX Corporate AA10+ index at 30 November 2021);
- Retirement age applied according to the legal table (aged between 60 and 62);
- Mortality table, the main ones used being: French national institute of statistics and economic studies (INSEE) TD-TV 15-17. 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 0.89%, salary adjustment rate 1%.

Groupe VYV did not take advantage of the option provided by the revision of recommendation 2013-02 in November 2021. The ANC allows an alternative method of amortisation that results in a decrease in the retirement benefit obligations.

- 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. Restatements were therefore 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 VYV 3 Sud-Est). The most significant amounts of these revaluations are restated and cancelled in the combined consolidated financial statements.

Some property investment partnerships (SCI Philgen) 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 risk 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 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

Groupe VYV applied the provisions of the new ANC Regulation 2020-01 relating to consolidated financial statements.

This regulation applies prospectively for the first time for financial years from 1 January 2021, to transactions that take place after the date of adoption, as well as to contracts after that date, and makes significant changes to accounting principles and methods.

3.4.1.1 Impact on the financial statements

In terms of accounting methods, ANC Regulation No. 2020-01 makes it compulsory to apply methods that were previously recommended. The following points are included in the scope of this new regulation:

- Recognition in the balance sheet of the lessee of leasing agreements and similar agreements;
- Spreading of issue premiums, redemption premiums and issuing charges for loans;
- Recognition of installation costs in charges;
- Capitalisation of eligible development costs and expenses for creating websites;
- Capitalisation of transfer tax, fees or commission and deed costs linked to the acquisition of assets.

3.4.1.2 Impact on the presentation of the financial statements

In addition, the regulation affects the presentation of the consolidated financial statements in the following areas:

- In the balance sheet
 - Goodwill is now included in the intangible assets;
 - “Consolidated reserves” and “consolidated earnings” are grouped together under liabilities.
- In the profit and loss account
 - Amortisation and impairment of goodwill are included in the operating result, leading to two subdivisions:
 - Operating result before amortisation and impairment of goodwill;
 - Operating result after amortisation and impairment of goodwill.
 - “Net investment income” and “Other non-technical net income” are included before the “Operating result after amortisation and impairment of goodwill”.
- In the notes to the financial statements
 - Summary statement of the investments;
 - Breakdown by type of income and charges for technical and non-technical investments, for financial income net of charges;
 - Acquisition expenses carried forward (methods of recognition, depreciation periods, breakdown of Life and Non-Life businesses);
 - Information relating to profit participation (breakdown between due, deferred, conditional and unconditional provisions for participation, breakdown and justification of deferred profit sharing assets, share of assignees and retrocessionaires in the provisions);
 - For insurance and reinsurance transactions, information on the breakdown by type and by maturity date of the receivables and debts, statement of the security interest provided as a guarantee, statement of the gross values and impairments (excluding deferred profit sharing);
 - Information on the other technical provisions and on the valuation of the equalisation provision.

3.4.1.3 Provisions of ANC Regulation 2020-01 not applied

All of the provisions of ANC Regulation 2020-01 were applied in this report, apart from the following points:

- Article 282-32: Summary statement of the investments

The table specified in this article must show the following investments in particular

- Units in equity-based/bond-based UCITS
- Listed/unlisted investments



- Life/Non-Life insurance investments

This combination of information is not available. The table in § 3.5.2.3 nevertheless shows the investments of the insurance companies.

- Article 282-37: Information on the other technical provisions and on the valuation of the equalisation provision. This article specifies in particular a table showing the provision surpluses/deficits. This information is not available.

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 Intangible assets

In € thousands	2020 gross value	Changes in perimeter	Increase	Decrease	Other changes	2021 gross value	Amortisation/Provisions	2021 net value
Preliminary expenses	1,681		150	-15		1,815	-1,675	140
Research and development costs	4,522		1,326	-135	-4	5,710	-3,790	1,919
Concessions, Trademarks and Software packages	379,100	-28	25,117	-62,033	287	342,442	-278,721	63,721
Right to lease	23,216		155	-953	18	22,436	-19,918	2,518
Business assets	37,026	249	4,055	-74	-4,129	37,127	-30,760	6,367
Other intangible assets	70,906	-3,624	10,400	-8,828	4,349	73,202	-35,887	37,315
Goodwill	175,809	12,620	96		-2,308	186,217	-75,730	110,487
Intangible assets	692,260	9,217	41,299	-72,038	521	671,257	-448,791	222,466

Net intangible assets mainly comprise goodwill and software packages and concessions with a large proportion linked to the impact of the EIGs MGEN Technologies and SIHM.

The gross variation in software packages and concessions recorded the 2021 financial year of -€36m mainly concerns the transfer of a large part of the business of SMACL Assurances offset by acquisitions of licences and specific software developments mainly by Harmonie Mutuelle.

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 31/12/2020	Acquisitions/Allocations	Disposals/reversals	Other changes	Balance 31/12/2021
Gross value	175,809		13,342	-625	186,217
Amortisation and impairment	-68,278		-10,386	625	-75,730
Net value	107,531		2,956	0	110,487

In 2021, eleven new entries were posted for goodwill with a total value of €13,245,000:

- three new entries for goodwill in the VYV Invest subgroup generated by the buyout of minority interests and the acquisition of new organisations;
- a new entry for goodwill in connection with the takeover of a company in the SAFM subgroup, for a total of €1,579,000;
- As well as eight new entries for goodwill in connection with the takeover of companies in the HDS subgroup, for a total of €6,879,000.

At 31/12/2021, amortisation and impairment of goodwill was posted for a total of €10,386,000 corresponding to:

- amortisation expense of €1,830,000 (goodwill generated before 31/12/2016);
- impairment of goodwill of €8,556,000: only for the subsidiaries of VYV Invest (KRG and Mes Docteurs).

The winding up of the property investment partnerships SICAR and Neptune resulted in the cancellation of goodwill of €625,000 entered under disposals/reversals.

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 Goodwill per company

Net goodwill amounted to €110,487,000, with the following breakdown:

Company (in € thousands)	Gross goodwill	Accumulated amortisation and impairment	Net goodwill 31/12/2021	Net goodwill 31/12/2020
Sphéria Vie	1,765	-1,765	0	0
Groupe HDS	34,887	-20,005	14,882	9,519
Groupe HGO	24,116	-20,916	3,199	3,513
Groupe SAFM	72,029	-8,368	63,661	62,081
Groupe VYV Invest	53,421	-24,675	28,745	32,418
Total	186,217	-75,730	110,487	107,531

3.5.2 Investments by insurance companies

3.5.2.1 Land and buildings

In € thousands	2020 gross value	Increase	Decrease	Other changes	2021 gross value	Amortisation/ Provisions	2021 net value
Undeveloped land	31				31		31
Shares in real estate companies	101,830	12,112	-2,233		111,709	-808	110,901
Real assets excluding use of buildings	2,155		-79		2,076	-1,741	335
Shares in unlisted property investment partnerships, Non-operating	48,147		-18,850	-76	29,221	-2,585	26,637
Business premises	968,796	-3,511	-5,254	-45,143	914,888	-491,232	423,656
Equity securities, property investment partnerships, Operating	18,482		-16,660		1,821		1,821
Land to be developed	240,911	31	-174	31,148	271,915		271,915
Buildings under construction - non-operating	121		-15	-106			
Business premises under development	12,241	38,717	-4,257	104	46,805		46,805
LAND AND BUILDINGS	1,392,714	47,348	-47,522	-14,073	1,378,468	-496,366	882,102

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.

In 2021 a decrease of €59,310,000 was recorded in the net value mainly due to the transfer of businesses from SMACL Assurances to SMACL SA for €24,410,000, and the sale of shares in property investment partnerships for €11,176,000 by Harmonie Mutuelle, Mutex and MGEN. The increase in construction work in progress by SCI Philgen (work at the head office of MGEN) was offset by an adjustment in the amortisation of the revaluation adjustment.

3.5.2.2 Other investments by insurance companies (excluding Land and buildings)

The other investments shown below exclude real estate investments:



In € thousands	2021 gross amount	Provisions/impairment	2021 net amount	Prov./ impair. Allocated in the year	Prov./ impair. Reversed in the year
Investments by related undertakings and undertakings linked by virtue of participating interests	321,436	-12,233	309,203	-1,544	3,652
Other investments	13,468,046	-78,281	13,389,764	-1,494	918
Total	13,789,481	-90,514	13,698,967	-3,038	4,570

The remaining provisions concern:

• Impairment of unlisted securities - undertakings linked by virtue of participating interests.....	€12,233,000
• Impairment of loans	€9,117,000
• Impairment of unlisted bonds	€43,552,000
• Impairment of listed bonds	€10,578,000
• Other	€15,034,000
TOTAL	€90,514,000

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

In € thousands	Gross value 31/12/2021	Net value 31/12/2021	Realisable value 31/12/2021	Unrealised capital gain 31/12/2021	Gross value 31/12/2020	Net value 31/12/2020	Realisable value 31/12/2020	Unrealised capital gain 31/12/2020
Real estate investments	1,378,468	882,102	1,732,643	850,541	1,392,714	941,412	1,639,898	698,486
Investments in related undertakings	321,436	309,203	647,978	338,775	57,498	43,157	227,353	184,195
Shares and other variable income securities	94,352	94,194	149,599	55,404	101,873	100,387	134,239	33,853
Fixed income UCITS	2,111,720	2,110,883	2,154,011	43,129	2,219,355	2,218,629	2,273,027	54,398
Variable income UCITS	2,588,522	2,579,557	3,361,030	781,473	2,521,313	2,516,042	3,086,967	570,925
Bonds and other fixed interest securities	8,068,458	8,014,218	9,926,114	1,911,895	7,963,185	7,908,196	10,335,694	2,427,497
Other loans and similar instruments	41,020	31,903	33,144	1,242	36,087	25,758	27,382	1,624
Deposits to cedants	158,624	158,624	158,608	-15	570,716	570,716	570,716	
Other deposits, sureties and investments	405,349	400,386	400,090	-297	638,390	633,486	633,697	211
Investments by insurance companies	15,167,949	14,581,069	18,563,216	3,982,147	15,501,132	14,957,783	18,928,972	3,971,189

Investments amounted to a total of €14,581,069,000 at 31/12/2021 in net book value.

Insurance investments represent 96% of the total amount of investments and mainly comprise marketable securities, of which 63% are bonds (€8,014,218,000) and 37% are UCITS (€4,690,439,000).



3.5.2.4 Breakdown of investments (in net book value)

In € thousands	31/12/2021	%
Land and buildings	882,102	6.05%
Investments in related undertakings	309,203	2.12%
Other investments (marketable securities)	13,231,141	90.74%
Receivables from cash deposits to cedants	158,624	1.09%
Total	14,581,069	100.00%

3.5.2.5 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	2021 gross value	Provision	2021 net value	% interest	Capital	Shareholders' equity	Income
SCI GAMBETTA	CHORUM	7		7	66.00%	10	620	N/A
SCI SVF LA CIGOGNE	HARMONIE MUTUELLE	7,102	-2,585	4,517	100.00%	7,102	6,786	-12
SCI LA FORET		2,156		2,156	99.97%	935	2,267	-210
SCI MUT'YON		1,523		1,523	26.85%	1,716	8,111	N/A
SCI LA BRIANDERIE		1,264		1,264	65.89%	1,708	2,873	2
SCI DESIRE COLOMBE		520		520	100.00%	484	620	27
SCI LA MUTUALISTE		319		319	44.00%	724	1,763	25
SCI ROMOMUT		290		290	38.00%	762	742	10
SCI MSP RETIERS		183		183	30.62%	598	621	23
SCI GAMBETTA		2		2	17.12%	10	620	N/A
SCI MUTATI	MUTUELLE MARE GAILLARD	1		1	95.00%	2	53	7
SCI BEL AIR	MGEN	4,380		4,380	35.03%	N/A	11,193	-924
SCI MGET		1,000		1,000	99.99%	N/A	1,526	497
SCI MEELE		314		314	35.03%	N/A	N/A	NC
SCI LA MUTUALISTE		57		57	7.89%	724	1,763	25
SCI LA MUTUALISTE	MNT	19		19	2.63%	26,909	1,738	55
Other		11,907		11,907				
Total		31,043	-2,585	28,458				



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

Investments by insurance companies in € thousands	Bearer organisation	2021 gross value	Provision	2021 net value	% interest	Capital	Shareholders' equity	Income
SAS LA CIGOGNE	HMELLE	2,532	-1,343	1,189	94.40%	584	-295	-869
SOLIFAP		1,000		1,000	2.23%	44,869	45,030	68
SYNERGIE MUTUELLE		500		500	81.04%	617	617	
SAS BAUDOUIIN		182	-182		53.19%	514	356	-199
BREIZH FUNDING 2		10		10	6.49%	154	153	-1
SP HLM	MGAILLARD	30		30	0.91%	3,519	44,997	1,981
CLINICPROSPORT	MGEN	9,626	-9,626		100.00%	206	-2,810	-545
SOFAXIS OFIVALMO PARTENAIRE		2,020		2,020	10.00%	10,000	20,049	-16
VIVOPTIM SOLUTIONS		2,000		2,000	100.00%	2,000	4,951	233
EUTELMED		1,041		1,041				
MGEN SOLUTIONS FABRIQUE TERRITOIRES INNOVANTS		1,000		1,000	100.00%	1,000	1,459	181
		6		6	24.19%	29	331	70
SOFAXIS	MNT	13,600	13,600		10.00%	613	75,651	10,521
VACANCIEL UES SANTE MUTUELLE		500	-500		4.61%	10,857	5,234	-3,838
OFIVALMO PARTENAIRE		20	-20		33.33%	60	66	0
	MUTEXSA	3,842		3,842	34.00%	10,000	19,881	816
		44,713	-25,271	19,442				

3.5.3 Investments by other companies

In € thousands	Gross value 31/12/2020	Changes in perimeter	Increase	Decrease	Other changes	Gross value 31/12/2021	Impairment	Net value 31/12/2021
Investments by other companies	700,525	377	51,471	-216,313	-3,952	532,109	-7,716	524,393
Equity securities of other companies	58,400	-489	7,451	-109	-307	64,945	-1,169	63,776
Total	758,925	-112	58,922	-216,422	-4,259	597,054	-8,885	588,169

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	2021 gross value	Provision	2021 net value	% interest	Capital	Shareholder s' equity	Income
SCI DES PETITES VALLEES	APSA	4,304		4,304	98.99%	4,348	4,365	-75
SCI MAISON DE RETRAITE SCM	MEDI France	809		809	98.00%	572	1,373	122
SCI, MERIGNAC		300		300	75.00%	400	89	4
SCI CESTAS CHEMIN D'ARNAUTON		150		150	75.00%	200	239	11
SCI CENOM PIERRE MARIE CURIE		105		105	75.00%	140	93	9
GIE HOSPITALIA	MFBSAM	10		10	50.00%	20	14	
SCI LA MUTUALISTE	MF VIENNE	347		347	45.47%	724	1,751	13
SCI RESIDENCE DU LAC		143		143	100.00%	40	568	60
GIE RADIOLOGIE	PAVILLON DE LA MUTUALITE	144		144	99.95%	141	-32	-171
GIE RADIOLOGIE GALLIENI		119		119	99.17%	120	120	
SCI MERIGNAC		100		100	25.00%	400	89	4
GIE GICAL		60		60	4.00%	1,500	1,500	
GIE GICAL	UMT TERRES D'OC	95		95	6.33%	1,500	1,500	
SCI QUATUOR		91		91	7.19%	1,765	1,780	46
GIE GICAL	U. THIernoise DES MUTUELLES	7		7	0.47%	1,500	1,500	
GIE GICAL	UTM LORRAINE	50		50	3.33%	1,500	1,500	
SCI GROUPE VYV	VYV	1,000		1,000	99.99%	1,000	654	653
HARMONIE INVESTISSEMENT IMMOBILIER	VYV3	563		563	92.27%	610	530	-70
SCI QUATUOR		484		484	27.42%	1,765	1,780	46
SCIC SA LA COOP DES MASQUES		300	-300			35.25%		851
SCI SOLIDARITE MUTUALISTE	VYV3 BRETAGNE	407		407	78.53%	518	2,133	59
SCI CHAMBORD		122		122	99.00%	15	360	4
GIE GICAL	VYV3 B. BIENS MEDICAUX	104		104	14.60%	1,500	1,500	
SCI LOCATO	VYV3 B. SAINTAIRE	177		177	100.00%		1,097	746
SCI ROMOMUT	VYV3 CENTRE VAL DE LOIRE	473		473	62.00%	762	715	-3
GIE GICAL		254		254	15.47%	1,500	1,500	
SAS CIGOGNE		151	-116	35	2.81%	400	-7	-283
SCI QUATUOR		127		127	7.20%	1,765	1,780	46
SCI PLAINE MONTJOY	VYV3 ILE DE France	7,046		7,046	100.00%	73	7,465	22
STREETLAB		80		80	2.14%	3,732	4,808	183
GIE GICAL		7		7	0.67%	1,500	1,500	
SCI QUATUOR	VYV3 PAYS DE LA LOIRE	500		500	28.33%	1,765	1,825	46
SCI QUATUOR	VYV3 PDL SANITAIRE	230		230	13.03%	1,765	1,780	46
SCI LA BRIANDERIE	VYV3 PDL PERS. AGEES	981		981	34.11%	1,708	2,873	2



SCI QUATUOR		71		71	5.61%	1,765	1,780	46
SCI MUT'YON	VYV3 PDL BIENS MEDICAUX	3,681		3,681	73.15%	6,095	8,306	196
GIE GICAL		559		559	37.27%	1,500	1,500	
SCI QUATUOR		184		184	10.42%	1,765	1,825	46
SCI LEOPOLD CARTOUX		2,241		2,241	51.00%	2	316	182
SCI SUD CEVENOLE	VYV3 SUD EST	1,398		1,398	100.00%	388	1,699	55
SCI QUARTIER DES OLIVIERS		684		684	100.00%	246	322	44
GIE GICAL		133		133	8.87%	1,500	1,500	
SCI QUATUOR		78		78	4.42%	1,765	1,780	46
GROUPE ARCADE-VYV		33,807		33,807	52.04%	219	45,776	78
STREETLAB	VYV INVEST	850	-202	648	17.00%	3,732	4,811	3
			63,524	-619	62,905			

These investments mainly concern businesses linked to Book III organisations (property investment partnerships, cost-sharing groups, local authority housing etc.).

3.5.4 Equity method investments

Equity method investments correspond to the share of own funds restated. Due to inclusion in the perimeter of several companies accounted for by the equity method, this item increased from €24,063,000 in 2020 to €107,802,000 in 2021. The largest ones are linked to SMACL SA (€77,834,000), Parnasse Garanties (€24,751,000), Viamedis (€3,219,000) and Yvon Assurances (€2,055,000).

3.5.5 Share of assignees and retrocessionaires in the technical provisions

In € thousands	Balance 31/12/2020	Allocation	Reversal	Balance 31/12/2021
Life insurance provision	80,866	86,234	-80,866	86,234
Provision for claims to be paid (Life)	132,368	155,321	-130,527	157,162
Provision for equalisation	21,276	17,454	-21,276	17,454
Other technical provisions - Life	1,836	10,685	-1,827	10,693
TECHNICAL PROVISIONS - LIFE	236,346	269,695	-234,497	271,544
Provision for unearned premiums & outstanding risks (Non-life)	5,822	118	-92	5,849
Provision for claims payable (Non-life)	736,077	427,271	-499,125	664,223
Provision for equalisation	57,113	64,613	-58,119	63,608
Other technical provisions - Non-life	771,400	661,263	-673,548	759,115
TECHNICAL PROVISIONS - NON-LIFE	1,570,413	1,153,265	-1,230,883	1,492,795
Provision for unit-linked contracts				
SHARE OF ASSIGNEES AND RETROCESSIONAIRES IN THE TECHNICAL PROVISIONS	1,806,759	1,422,960	-1,465,380	1,764,338

The share of assignees and retrocessionaires in the technical provisions amounted to €1,764,338,000 at 31/12/2021. It comprises technical provisions reinsured with external organisations.



3.5.6 Receivables

3.5.6.1 Receivables from insurance or reinsurance operations

In € thousands	Gross 31/12/2021	Provisions	Net 31/12/2021	Net 31/12/2020
Earned but unwritten premiums	218,462		218,462	212,788
Receivables from Policyholders	489,288	-63,689	425,599	454,898
Insurance intermediaries	20,968		20,968	28,317
Current accounts of co-insurers	95,981	-2,545	93,436	96,598
Other third parties	18,600		18,600	29,803
<i>Receivables from direct insurance operations</i>	<i>843,299</i>	<i>-66,234</i>	<i>777,066</i>	<i>822,403</i>
Current accounts of assignees and retrocessionaires	16,709		16,709	19,900
Current accounts of cedants and retrocedants	269,659		269,659	217,648
Reinsurers' share in net earned premiums				477
<i>Reinsurance receivables</i>	<i>286,368</i>		<i>286,368</i>	<i>237,548</i>
Receivables from insurance or reinsurance operations	1,129,667	-66,234	1,063,433	1,059,950

The increase in the net value of €3,483,000 during the 2021 financial year was mainly due to the increase in the current accounts of cedants and retrocedants at Mutex offset by a decline in receivables from direct insurance operations for Harmonie Mutuelle and SMACL Assurances.

3.5.6.2 Receivables from companies in the banking sector

In € thousands	Gross 31/12/2021	Provisions	Net 31/12/2021	Net 31/12/2020
Receivables from companies in the banking sector	884,632		884,632	1,072,485

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

- Harmonie Mutuelle: €104,418,000
- SCI Philgen: €73,312,000
- SMACL Assurances: €63,115,000
- MGEN: €61,838,000

3.5.6.3 Non-trade receivables

In € thousands	Gross 31/12/2021	Provisions	Net 31/12/2021	Net 31/12/2020
Uncalled subscribed capital	3,708		3,708	11,297
Amounts due to and from employees	12,262	-418	11,844	9,569
Social security and other benefits	15,303		15,303	12,828
State and other public authorities	68,049		68,049	59,651
State - corporate income tax	37,979		37,979	54,632
Current accounts of shareholders, members	78,925	-6,980	71,945	80,251
Sundry debtors	670,706	-30,369	640,337	614,270
Deferred tax assets	87,344		87,344	57,062
Non-trade receivables	974,277	-37,767	936,510	899,559



The item “Deferred tax assets” increased significantly this year, due to the capitalisation of deferred taxes of MGEN for the first time.

A three-year period was applied for MGEN (2022-2024) for recognition of deferred tax assets resulting from loss carryforwards or temporary tax differences.

3.5.6.4 Schedule of gross receivables (excluding deferred taxes)

In € thousands	Less than 1 year	1 to 5 years	More than 5 years	Total 31/12/2021
Premiums yet to be written	292,775			292,775
Premiums to be cancelled	-74,313			-74,313
Receivables from policyholders	485,202	39	993	486,234
Insurance intermediaries	20,968			20,968
Current accounts of co-insurers	79,978	13,208	2,794	95,981
Current accounts of cedants in substitution	3,054			3,054
Other third parties	18,600			18,600
Reinsurance receivables - CA of assignees and retrocessionaires	1,738	14,830	141	16,709
Reinsurance receivables - CA of cedants and retrocedants	248,040	21,614	5	269,659
Receivables from transactions in substitution				
Uncalled subscribed capital		3,708		3,708
Amounts due from employees	12,255		7	12,262
State, social security, other social welfare bodies - receivables	15,303			15,303
State and other public authorities	65,049	3,000		68,049
State - corporate income tax	37,930	49		37,979
Current account assets with related entities	59,928	4,225	1,978	66,131
Other current accounts	12,490	271	32	12,793
Shareholders - capital called but not paid				
Sundry debtors (receivables)	529,742	6,553	503	536,798
Accounts receivable - Unbilled revenue	34,848			34,848
Accrued income	99,060			99,060
Cash at banks, post office accounts, cash desks	883,471		1,161	884,632
Total accounts receivable by due date	2,826,118	67,498	7,616	2,901,232

The receivables are mainly current.

3.5.7 Other assets

3.5.7.1 Property, plant and equipment

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

In € thousands	Gross value 31/12/2020	Change in perimeter	Increase	Decrease	Other changes	Gross value 31/12/2021	Amortisation	Net value 31/12/2021
Deposits	5,573	,	192	-685	-9	5,070	-33	5,037
Other property, plant and equipment	2,548,376	558	162,249	-89,588	6,533	2,628,127	-1,430,541	1,197,586
Tangible assets	2,553,948	558	162,441	-90,273	6,523	2,633,197	-1,430,573	1,202,624



3.5.7.2 Other

In € thousands	Balance 31/12/2020	Change in perimeter	Variation	Other changes	Balance 31/12/2021
Net stocks	53,215	35	-1,172	28	52,106
Other assets	53,215	35	-1,172	28	52,106

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 €52,106,000 (inventory write-down remained immaterial).

3.5.8 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 31/12/2020	Variation	Balance 31/12/2021
Premiums on bonds	3,409	-401	3,008
Interest and rent earned and not due	85,585	-6,797	78,788
Interest accrued but not due - loans to related undertakings		315	315
Prepaid expenses	23,698	-2,739	20,959
Other prepayments and accrued income	23,787	1,408	25,196
Difference in redemption price	456,663	71,442	528,105
Total prepayments and accrued income	593,141	63,228	656,370



3.5.9 Own funds

3.5.9.1 Statement of changes in group own funds

In € thousands	Initial capital	Consolidated reserves	Profit (loss) for the year	Other funds	Group's share	Minority interests	Total
Consolidated own funds 31/12/2019	1,951,997	3,002,629	-48,478	8,212	4,914,361	452,896	5,367,257
Appropriation of income		-48,478	48,478				
Income			74,213		74,213	-4,580	69,633
Other changes	29,552	65,232		-10,754	84,030	9,229	93,259
Consolidated own funds 31/12/2020	1,981,549	3,019,383	74,213	-2,542	5,072,604	457,545	5,530,149
Appropriation of income		74,213	-74,213				
Income			79,808		79,808	5,397	85,205
Other changes	272,675	-320,214		-4,207	-51,746	-292,747	-344,494
Consolidated own funds 31/12/2021	2,254,224	2,773,382	79,808	-6,749	5,100,666	170,194	5,270,860

The variation of €28m in the group's own funds was due to:

- The profit (loss) for the year (+€80m);
- Other changes (-€52m), which mainly comprise an adjustment in the amortisation of revaluation adjustments for the real assets of SCI Philgen.

3.5.9.2 Statement of changes in minority interests

In € thousands	Minority interests
Consolidated own funds 31/12/2020	457,545
Appropriation of income	
Income	5,397
Other changes	-292,747
Consolidated own funds 31/12/2021	170,194

The decrease in minority interests of €287m was due to:

- the additional equity investments by VYV Invest in its subsidiaries and in particular in Mutex, an acquisition which alone resulted in a decrease in minority interests of €285.3m
- Reduced by the impact of earnings for the period (-€5.4m).



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

Legal form	Organisation	Contribution to group Own Funds in € thousands
Combined unions governed by Book 1 of the French mutual insurance code (Code de la Mutualité)		123,338
Book 1	UMG Groupe VYV	113,655
Book 1	VYV Coopération	6,056
Book 1	MGEN Union	3,627
Unions/mutual insurance companies/combined capital-intensive insurance organisations		4,466,139
Book 2	MGEN	2,072,324
Book 2	Harmonie Mutuelle	1,610,507
Book 2	MNT	304,309
Book 2	MGEFI	177,533
Limited company (SA)	MUTEX SA	135,885
Book 2	SMACL	92,208
Book 2	MGEN Vie	35,542
Book 2	MGEN Filia	24,199
Book 2	Ressources Mutuelles Assistance (RMA)	19,929
Book 2	Union Harmonie Mutualité (UHM)	18,722
Book 2	Chorum	9,735
Limited company (SA)	Parnasse Garantie	4,815
Book 2	Mare-Gaillard	4,698
Limited company (SA)	SMACL SA	-13,281
Limited company (SA)	Sphéria Vie	-30,984
Unions/mutual insurance companies/other organisations within the VYV3 sub-group		662,624
Book 3	VYV3 Centre Val de Loire (VYV3CVL)	78,624
Book 3	MGEN Action Sanitaire et Sociale (MGENASS)	68,035
Book 3	VYV3 Bretagne Pays de Loire Services Biens Médicaux (VYV3PDL-SBM)	59,098
Book 3	VYV3 Bretagne Sanitaire et Social	57,761
Book 3	VYV3	52,800
	Other	346,305
Organisations within the HDS sub-group		-9,479
Organisations within the HGO sub-group		-29,057
Organisations within the SAFM sub-group		-13,919
Organisations within the Hospitalia sub-group		-18,176
Organisations within the Foncière HGO sub-group		-9,148
Organisations within the VY Invest sub-group		-41,160
Insurance property investment partnerships (SCI) and HM Foncière		-30,495
TOTAL Combined and consolidated organisations		5,100,666



3.5.10 Subordinated liabilities

In € thousands	Balance 31/12/2020	Increase	Decrease	Other changes	Balance 31/12/2021
Participating shares issued	29,604		-24,716		4,888
Fixed-term subordinated bond issues	6,649	113	-212	7,500	14,050
Other fixed-term subordinated loans	30,000	-5,000			25,000
Other perpetual subordinated loans	1,300		-1,300		
Subordinated liabilities	67,553	-4,888	-26,227	7,500	43,938

This item decreased by €23.6m this year following the transfer of participating shares to SMACL SA, an entity consolidated under the equity method.

3.5.11 Gross technical provisions

In € thousands	Balance 31/12/2021	Balance 31/12/2020
Life insurance provisions	4,350,311	4,415,390
Provisions for benefits to be paid - life	438,470	445,108
Provisions for participation in profits and rebates - life	35,715	39,278
Equalisation provision (life)	63,168	64,703
Other technical provisions (life)	35	21
Technical provisions - life	4,887,699	4,964,500
Provisions for unearned premiums (non-life)	23,221	23,544
Provisions for benefits to be paid - non-life	2,457,970	3,047,822
Provisions for participation in profits and rebates - non-life	4,369	4,405
Equalisation provisions (non-life)	238,678	259,481
Other technical provisions (non-life)	3,574,915	3,482,613
Technical provisions - non-life	6,299,153	6,817,866
Technical provisions - unit-linked	48,520	43,697
GROSS TECHNICAL PROVISIONS	11,235,372	11,826,062

The group covers life obligations totalling 44% and non-life obligations totalling 56%.

The decrease in technical provisions of €591,000 was due to the transfer of the damage insurance business from SMACL to SMACL SA for €525m.

All of the provisions for participation in profits and rebates (life and non-life) are due.

3.5.12 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 31/12/2020	Provisions	Reversals	Other changes	Balance 31/12/2021
Disputes	25,765	12,366	-5,536	669	33,264
Retirement benefits	184,307	17,088	-26,606	569	175,359
Tax inspections and tax	18				18
Other	53,733	15,210	-19,834	833	49,943
Net goodwill	35,381	71,006	-12,352		94,035
Provisions for liabilities & charges	299,204	115,669	-64,327	2,072	352,618



Provisions for liabilities and charges mainly comprise:

- Provisions for litigation amounting to €33,264,000. Miscellaneous risks are funded such as HR disputes, social security contribution collection agency (URSSAF) audits, Prudential Supervision and Resolution Authority (ACPR) risks, disputes with suppliers etc.
- Provisions for pensions amounting to €175,359,000.

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 decline in this item is mainly due to the increase in the discount rate from 0.35% in 2020 to 0.87% in 2021.

- Other provisions for liabilities and charges amounting to €49,943,000. The biggest balances concern:
 - VYV 3 Ile-de-France totalling €5,750,000
 - VYV 3 Pays de la Loire Pôle Personnes Agées totalling €5,074,000
 - VYV 3 Bretagne Sanitaire et Social totalling €4,448,000
 - VYV 3 PDL Accompagnements et Soins totalling €3,010,000
- Provisions for negative goodwill for a total of €94,035,000. This item changed significantly due to the acquisition of shares in Mutex by MGEN and VYV Invest.

Negative goodwill corresponds to the difference between the value of the securities of Mutex S.A. 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.

3.5.13 Other debts

3.5.13.1 Debts from insurance and reinsurance operations

In € thousands	Balance 31/12/2020	Variation	Other changes	Balance 31/12/2021
Debts due to cash deposits	920,439	57,137		977,576
Debts to Policyholders	50,541	-5,004		45,537
Insurance intermediaries	21,921	-3,770		18,151
Current accounts of co-insurers	72,562	7,959		80,522
Other third parties	82,789	-17,773		65,015
Debts from direct insurance operations	1,148,253	38,549		1,186,802
CA assignees & retrocessionaires - Other	343,538	28,947	-5,691	366,793
CA cedants and retrocedants - Other	31,104	25,286		56,389
Reinsurance brokers & other intermediaries	78			78
Reinsurers' share in net earned premiums	623	9		632
Reinsurance payables	375,343	54,241	-5,691	423,893
Insurance and reinsurance payables	1,523,596	92,790	-5,691	1,610,694

Insurance and reinsurance payables amounted to €1,610,694,000 at 31/12/2021 and mainly comprised debts for cash deposits for which the biggest contributors were MNT (€538,586,000) and Mutex (€357,301,000).



3.5.13.2 Schedule of insurance and reinsurance payables

In € thousands	Less than 1 year	1 to 5 years	More than 5 years	Total 31/12/2021
Debts due to cash deposits	438,990		538,586	977,576
Debts to Policyholders	45,537			45,537
Insurance intermediaries	18,151			18,151
Current accounts of co-insurers	80,522			80,522
Other third parties	65,015			65,015
Debts from direct insurance operations	648,216		538,586	1,186,802
CA assignees & retrocessionaires - Other	366,793			366,793
CA cedants and retrocedants - Other	56,389			56,389
Reinsurance brokers & other intermediaries	78			78
Reinsurers' share in net earned premiums	632			632
Reinsurance payables	423,893			423,893
Total	1,072,108		538,586	1,610,694

3.5.13.3 Debts to banking sector companies

In € thousands	Balance 31/12/2020	Variation	Other changes	Balance 31/12/2021
Loans from lending institutions	572,557	-18,538	2,364	556,384
Bank loans	35,301	-6,318	-928	28,055
Debts to banking sector companies	607,859	-24,856	1,436	584,439

This item mainly comprises debts to lending institutions (€556,384,000) 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.

Bank loans mainly concern entities in the VYV 3 perimeter (€25m).

3.5.13.4 Schedule of debts to banking sector companies

In € thousands	Less than 1 year	1 to 5 years	More than 5 years	Total 31/12/2021
Debts to lending institutions	136,493	186,731	233,161	556,384
Bank loans	28,055			28,055
Total	164,548	186,731	233,161	584,439



3.5.13.5 Other debts

The other debts amounting to €2,656,178,000 had the following breakdown:

In € thousands	Balance 31/12/2020	Variation	Other changes	Balance 31/12/2021
Senior bond issues	500,001			500,001
Deposits and guarantees received - related entities	12,186	281	91	12,558
Deposits and guarantees received - other	73	-3		71
Other loans and similar debts - related entities	1,018	-185	-53	780
Other loans and similar debts - other	33,685	-9,924	-1,631	22,130
Miscellaneous loans and borrowings	546,963	-9,830	-1,593	535,540
Amounts due to employees	183,580	-2,780	1,456	182,256
Debts to social welfare bodies	258,222	12,330	1,131	271,683
State and other public authorities	188,753	-7,732	-2,859	178,162
Current accounts of related entities	47,556	18,616	7,977	74,149
Sundry accounts payable	1,137,590	85,939	6,259	1,229,788
Unbilled trade accounts payable	95,273	15,690	527	111,490
Accrued amounts payable	90,670	-17,903	343	73,110
Other debts	2,001,643	104,160	14,835	2,120,638
TOTAL OTHER DEBTS	2,548,606	94,330	13,242	2,656,178

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

“Sundry accounts payable” comprises large amounts linked to repo transactions totalling €386m as well as debts linked to third-party management activities.

3.5.13.6 Schedule of repayments of other debts

In € thousands	Less than 1 year	1 to 5 years	More than 5 years	Total 31/12/2021
Senior bond issues	1		500,000	500,001
Deposits and guarantees received - related entities	6,450	1,648	4,460	12,558
Deposits and guarantees received - other	47	23		71
Total deposits and guarantees received	6,497	1,671	4,460	12,629
Other loans and similar debts - related entities	780			780
Other loans and similar debts - other	2,530	10,353	9,247	22,130
Total other loans, deposits and guarantees received	3,309	10,353	9,247	22,910
Amounts due to and from employees	182,145	112		182,256
Social security and other benefits	271,581	102		271,683
State and other public authorities	177,710	95		177,805
Deferred tax liabilities	357			357
Current accounts of related entities & other current accounts	68,721	-2,608	8,036	74,149
Sundry accounts payable	1,181,535	55,230	-6,978	1,229,788
Unbilled trade accounts payable	111,398	93		111,490
Accrued amounts payable	73,110			73,110
Total other	2,066,556	53,024	1,058	2,120,638
Total other debts	2,076,364	65,049	514,766	2,656,178

Other debts are mainly short-term receivables.



3.5.14 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 31/12/2020	Variation	Other changes	Balance 31/12/2021
Amortisation of differences in the redemption price to be received	94,889		12,686	107,576
Other accruals	64,557	3,261		67,819
Reciprocal accounts	-743	19,900	-19,893	-736
Deferred revenue	90,889	10,705	2,087	103,681
Accruals	249,593	33,867	-5,120	278,339

The accruals and deferred income, which amounted to €278,339,000 at 31/12/2021, 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 December 2021	31 December 2020
Investment income		85,117	85,117	88,656
Other investment income		49,698	49,698	76,407
Gains on the realisation of investments		15,669	15,669	8,454
Unit-linked life insurance (ULLI) adjustment (capital gains)		6,602	6,602	7,294
Internal and external management costs of investments and interest	118,131	-2,889	115,242	87,160
Other investment costs		-8,677	-8,677	-9,096
Losses on the realisation of investments		-2,818	-2,818	-33,286
ULLI adjustment (capital losses)		-151	-151	-7,286
FINANCIAL INCOME NET OF CHARGES	118,131	142,550	260,681	218,303

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

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

Expenses for other businesses in € thousands	Balance 31/12/2021	% of the total	Balance 31/12/2020	% of the total	Variation 2021/2020	Variation (%)
External purchases and expenses	-1,080,489	37.9%	-1,000,200	37.5%	-80,289	8.0%
Payroll expense	-1,363,174	47.8%	-131,394	4.9%	-1,231,780	937.5%
Taxes and duties	-139,976	4.9%	-1,250,395	46.9%	1,110,419	-88.8%
Other operating charges	-91,481	3.2%	-98,889	3.7%	7,408	-7.5%
Depreciation and provisions	-173,468	6.1%	-183,272	6.9%	9,804	-5.3%
Employee profit-sharing for other businesses	-1,447	0.1%	-402	0.0%	-1,044	259.5%
Total	-2,850,035	100.0%	-2,664,552	100.0%	-185,482	7.0%

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.

3.6.3 Extraordinary profit or loss

In € thousands	Balance 31/12/2021	Balance 31/12/2020
Reversal of provisions for exceptional expenses	3,523	201
Reversal of provisions for exceptional loss in value	5,398	15,095
Other exceptional income	58,442	46,073
Total exceptional income	67,363	61,369
Provisions for exceptional expenses	-1,149	-2
Provisions for exceptional loss in value	1,849	-6,920
Other exceptional expenses	-43,589	-57,357
Total extraordinary charges	-42,889	-64,279
Extraordinary profit or loss	24,474	-2,910



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

The extraordinary profit in 2021 amounted to €24,474,000. The biggest contributions were made by:

- SMACL Assurances which achieved an extraordinary profit of €9m from its spin-off
- Mutex which recorded a provision for contingencies following the audit by the Prudential Supervision and Resolution Authority (ACPR) of escheated policies, totalling €6m. In addition, a reversal of negative goodwill was entered for €12m
- VYV 3 entities which entered capital gains on the sale of assets and amortisation of grants for almost €12m

3.6.4 Corporate income tax

In € thousands Income (+)/Expense (-)	Total 2021	Total 2020
Corporate income tax due (in the individual financial statements)	-11,474	-38,934
Deferred tax	31,801	23,712
- Temporary differences	15,949	424
- Temporary differences - COVID tax	-17,762	17,419
- Capitalisation and use of loss carryforwards	33,700	5,268
- Standardising entries	-86	601
Total	20,327	-15,223

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, in particular €86.8m by MGEN and €77.4m by Harmonie Mutuelle resulting in an increase in deferred tax assets of €42.4m. On the other hand, use by Mutex of €26.1m resulted in a decrease in deferred tax assets of €6.7m.

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

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

Total 31/12/2021 In € thousands	Capitalised losses	Uncapitalised losses
HDS subgroup	2,670	233
HGO subgroup	0	43,273
SAFM subgroup	9,397	0
VYV3 subgroup	802	25,752
MGEN tax group	86,759	394,055
Hospitalia tax group	0	14,552
Harmonie Mutuelle	77,476	0
Mutex SA	21,610	0
Sphéria Vie	0	30,019
MNT	0	10,245
Mutuelle Mare Gaillard	0	5,123
SMACL	0	18,382
CHORUM	0	5,479
VYV Invest subgroup	390	36,726
Other	2,082	219
Total	201,185	584,060



Proof of tax is provided below:

PROOF OF CONSOLIDATED TAX	31 December 2021	31 December 2020
Net result (Group's share)	79,808	74,213
Income tax expense/benefit	20,327	-15,223
Minority interests	-5,397	4,580
Income from companies accounted for by the equity method	-299	259
Consolidated earnings before tax	65,177	84,597
Theoretical tax rate	26.50%	28.00%
Theoretical tax expense	-17,272	-23,687
Reconciliation items		
Unions/mutual insurance companies not liable for tax	-661	3,542
Amortisation/reversal of goodwill	521	-1,703
Loss carryforwards not capitalised	13,207	18,702
Permanent differences (reversal (-)/deduction (+))	2,206	-11,144
Tax credits (excluding CICE)	8,449	2,577
Impact of the change in rate on the calculation of deferred taxes	498	-2,131
Unrecognised deferred taxes on restatements/temporary differences	18,874	70
Impact of change in the corporate tax rate for the €500,000 bracket	-336	-2,395
Income from property investment partnerships (tax transparency)	-169	-808
Other corporate income tax adjustments	-4,991	1,755
Income tax expense/benefit recognised	20,327	-15,223

The change in the income tax expense between 2020 and 2021 was mainly due to the capitalisation of deferred taxes by MGEN.

3.6.5 Workforce

The group's workforce (consolidated entities) amounted to 41,690 employees in 2021.



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 31/12/2021	Consolidated 31/12/2020
Premiums issued	7,712,589	0	0	7,712,589	7,658,230
Variation in unearned premiums	-1,886	0	0	-1,886	-843
Premiums earned	7,710,702	0	0	7,710,702	7,657,387
Banking operating income	0	0	0	0	0
Revenue or income from other businesses	29,698	2,124,610	58,790	2,213,098	2,063,713
Other operating income	275,061	302,227	16,858	594,147	584,417
Financial income net of charges	260,681	0	0	260,681	218,303
Total current operating income	565,440	2,426,837	75,648	3,067,925	2,866,433
Insurance benefit expenses	-6,619,672	0	0	-6,619,672	-6,420,357
Net charges for or income from reinsurance cessions	-43,445	0	0	-43,445	-38,394
Banking operating expenses	0	0	0	0	0
Expenses for other businesses	-70,332	-2,401,029	-378,673	-2,850,035	-2,664,552
Management expenses	-1,234,565	0	0	-1,234,565	-1,210,151
Total current operating expenses	-7,968,014	-2,401,029	-378,673	-10,747,716	-10,333,454
Intersegment transactions	-289,956	-18,204	308,168	8	210
Operating result before amortisation and impairment of goodwill	18,173	7,604	5,143	30,919	190,575
Amortisation and impairment of goodwill	0	-1,830	-8,556	-10,386	-11,978
Other non-technical net income	31,672	-4,792	-6,710	20,170	-91,091
Operating result after amortisation and impairment of goodwill	49,845	5,774	-3,413	20,533	178,597
Extraordinary profit or loss	13,550	13,047	-2,123	24,474	-2,910
Corporate income tax	28,302	-5,433	-2,543	20,327	-15,223
NET INCOME FROM CONSOLIDATED ENTITIES	91,697	8,597	-14,790	85,504	69,374
Share of profits of companies consolidated under the equity method	684	0	-983	-299	259
NET INCOME OF THE CONSOLIDATED GROUP	92,382	8,597	-15,773	85,205	69,633
Minority interests	-3,655	-794	-948	-5,397	4,580
NET RESULT (Group's share)	88,727	7,803	-16,721	79,808	74,213

The organisation of the businesses between Insurance, Healthcare and Related Services and Other is described in paragraph 3.2.3.



3.6.6.2 Balance sheet (Assets) by business

ASSETS in € thousands	Insurance	Healthcare and Related Services	Other businesses	Consolidated 31/12/2021	Consolidated 31/12/2020
Intangible assets	76,290	102,403	43,773	222,466	258,036
- including goodwill	0	81,742	28,745	110,487	107,531
Investments in insurance companies	14,665,537	-173,600	89,132	14,581,069	14,957,783
- Land and buildings	882,102	0	0	882,102	941,412
- Investments in related undertakings and undertakings linked by virtue of participating interests	393,671	-173,600	89,132	309,203	43,157
- Other investments	13,231,141	0	0	13,231,141	13,402,498
- Receivables/cash deposits to cedant companies	158,624	0	0	158,624	570,716
Investments representing technical provisions pertaining to unit-linked contracts	48,412	0	0	48,412	43,124
Investments by other companies	1,821	286,045	300,303	588,169	751,325
Equity method investments	102,584	0	5,217	107,802	24,063
Share of cessions and retrocessions in the technical provisions	1,764,338	0	0	1,764,338	1,806,759
- Technical provisions - Life	271,544	0	0	271,544	236,346
- Technical provisions — Non-Life	1,492,795	0	0	1,492,795	1,570,413
Receivables	1,940,887	833,066	110,622	2,884,575	3,031,995
- Receivables from insurance or reinsurance operations	1,063,433	0	0	1,063,433	1,059,950
- Receivables from customers of banking sector companies	0	0	0	0	0
- Receivables from banking sector companies	387,693	421,955	74,984	884,632	1,072,485
- Non-trade receivables	489,760	411,111	35,639	936,510	899,559
Shares of guarantors in the commitments in substitution	0	0	0	0	8,313
Other assets	183,578	1,061,518	9,633	1,254,729	1,227,884
- Property, plant and equipment	183,578	1,009,567	9,479	1,202,624	1,174,670
- Other	0	51,952	154	52,106	53,215
Prepayments and accrued income	644,197	7,580	4,593	656,370	593,141
Total assets	19,427,644	2,117,012	563,274	22,107,930	22,702,424



3.6.6.3 Balance sheet (Liabilities) by business

LIABILITIES in € thousands	Insurance	Healthcare and Related Services	Other businesses	Consolidated 31/12/2021	Consolidated 31/12/2020
Group own funds	4,435,644	582,844	82,178	5,100,666	5,072,604
- Endowment fund without rights to recovery or capital	1,658,075	222,746	373,403	2,254,224	5,075,146
- Capital reserves arising on consolidation	2,692,171	359,315	-278,104	2,773,382	1,981,549
- income	88,727	7,803	-16,721	79,808	3,019,383
- Other mutual funds	-3,330	-7,019	3,600	-6,749	74,213
Minority interests	105,323	53,271	11,600	170,194	457,545
- minority interests - share of reserves	101,668	52,477	10,652	164,798	462,125
- minority interests - share of earnings	3,654	794	948	5,397	-4,580
Subordinated liabilities	39,000	4,938		43,938	67,553
Gross technical provisions	11,186,852			11,186,852	11,782,365
- Technical provisions - Life	4,887,699			4,887,699	4,964,500
- Technical provisions — Non-Life	6,299,153			6,299,153	6,817,866
Technical provisions for unit-linked contracts	48,520			48,520	43,697
Technical commitments on transactions ceded in substitution	6,447			6,447	9,542
Provisions for liabilities and charges	186,150	147,583	18,885	352,618	299,204
Dedicated funds		69,043		69,043	40,261
Other debts	3,234,851	994,015	622,445	4,851,311	4,680,060
- debts relating to insurance and reinsurance operations	1,610,694			1,610,694	1,523,596
- debts to banking sector companies	141,967	442,211	262	584,439	607,859
- debts to customers of banking sector companies					
- debts evidenced by securities		1	500,000	500,001	500,001
- Other debts	1,482,191	551,803	122,183	2,156,177	2,048,605
Accruals and deferred income	184,857	265,317	-171,835	278,339	249,593
Total liabilities	19,427,644	2,117,012	563,274	22,107,930	22,702,424



3.7 Additional information

3.7.1 Post-balance sheet events

The invasion of Ukraine by Russia on 24 February constitutes a post-balance sheet event. It did not have a financial impact on the financial statements for the period to 31/12/2021 insofar as it was an event relating to a new situation. Initial analyses of Groupe VYV's exposure show that the direct financial impact is not very significant (cf. detailed analysis in 1.2.8)

3.7.2 Future developments

On 27 January 2022 the Board of Directors of MGEFI decided to start the process of disaffiliation from the UMG Groupe VYV. This decision was ratified by an Extraordinary General Meeting of MGEFI in March 2022.

MGEFI remains affiliated to the UMG Groupe VYV in 2022 and was still combined at 31/12/2021.

3.7.3 Statutory auditors' fees

The statutory auditors' fees in 2021 amounted to €4,427,000 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 €514,000 inclusive of tax for services other than certification of the accounts.

These fees include a total of €235,000 invoiced for the audit of the consolidated financial statements, which were divided equally between Mazars and Grant Thornton.



4. Appendix 1 – Financial statements of the UMG Groupe VYV

4.1 Balance sheet

4.1.1 Assets (in €)

Item	Gross amount	Amortisation Provisions	31/12/2021	31/12/2020
Uncalled subscribed capital				
INTANGIBLE ASSETS				
Preliminary expenses				
Development expenses				
Concessions, patents and other similar rights	18 575 390	16 356 138	2 219 253	2 174 469
Goodwill	7 576		7 576	7 576
Other intangible assets				
Intangible assets in progress	2 573 929		2 573 929	1 512 689
PROPERTY, PLANT AND EQUIPMENT				
Land				
Buildings	368 493	92 247	276 247	310 544
Industrial fixtures, fittings, machinery & equipment	2 557	2 382	175	687
Other property, plant and equipment	10 308 212	8 462 602	1 845 610	2 500 605
Construction work in progress	0		0	202 319
Advances and payments on account				
FINANCIAL ASSETS				
Equity securities				
Other forms of investment	266 171 912	0	266 171 912	6 047 900
Long-term investments other than portfolio holdings				
Other long-term investments	249 073 761	403 645	248 670 116	247 221 904
Loans				
Other financial assets	86 520 481		86 520 481	286 536 328
FIXED ASSETS	633 602 311	25 317 014	608 285 297	546 515 021
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	31 576 001	79 381	31 496 620	77 529 827
Subscribed capital - called up and unpaid				
MISCELLANEOUS				
Marketable securities (of which own shares:)				
Cash assets	18 178 798		18 178 798	28 144 445
ACCRUALS				
Prepaid expenses	413 624		413 624	475 579
CURRENT ASSETS	50 168 422	79 381	50 089 041	106 149 851
Debt issuance costs to be spread				
Differences in the redemption prices to be received	126 164		126 164	93 400
Loan redemption premiums	3 007 500		3 007 500	3 408 500
GRAND TOTAL	686 778 233	25 396 395	661 508 003	656 166 771



4.1.2 Liabilities (in €)

Item	31/12/2021	31/12/2020
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	-5 617 424	-5 427 575
PROFIT (LOSS) FOR THE YEAR	1 393 811	-189 849
Investment grants		
Regulated provisions		
OWN FUNDS	110 517 831	109 124 020
Income from issue of participating shares		
Conditional advances		
OTHER OWN FUNDS		
Provision for contingencies	691 000	3 997 000
Provision for charges	8 906 854	8 747 400
PROVISIONS	9 597 854	12 744 400
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	20 698 351	15 312 743
Tax and social security liabilities	15 559 515	13 390 311
MISCELLANEOUS LIABILITIES		
Liabilities in respect of fixed assets	799 788	690 193
Other debts	41 432	842 605
ACCRUALS		
Deferred revenue	230 732	0
DEBTS	541 392 318	534 298 352
Translation gains		
GRAND TOTAL	661 508 003	656 166 771



4.2 Profit and loss account

Item	France	Exports	31/12/2021	31/12/2020
Sales of goods				
Sales of goods produced				
Sales of services	121 399 596		121 399 596	121 878 954
NET REVENUE	121 399 596	0	121 399 596	121 878 954
Stored production				
Self-constructed capital assets				
Operating grants				
Reversals of impairment write-downs, provisions (and depreciation), transfers of charges			13 931 253	15 579 112
Miscellaneous revenue			25 957	26 927
OPERATING REVENUE			135 356 805	137 484 993
Purchases of goods				
Change in inventory				
Purchases of raw materials and other supplies				
Change in inventory				
Other external purchases and expenses			53 079 079	49 432 153
Taxes and similar levies			7 812 107	7 779 842
Wages and salaries			40 944 451	37 866 674
Social security charges			20 048 082	16 615 411
OPERATING ALLOWANCES				
For fixed assets: depreciation expense			2 126 564	4 630 275
For fixed assets: provisions for impairment				
For current assets: provisions for impairment			0	79 381
Allocation to provisions			1 210 815	5 519 479
Other charges			6 204 302	7 634 203
OPERATING EXPENSES			131 425 400	129 557 417
OPERATING RESULT			3 931 405	7 927 575
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			5 331 104	915 109
Other interest and similar income			269 978	338 609
Reversal of impairment write-downs and provisions, transfers of charges			124 000	0
Foreign exchange gains				
Net proceeds from sales of marketable securities			896 116	344 614
FINANCIAL INCOME			6 621 198	1 598 332
Impairment and provisions for financial assets			753 541	525 766
Interest and similar charges			8 144 823	7 906 359
Foreign exchange loss				
Net charges on sales of marketable securities			36 810	466 897
FINANCIAL EXPENSES			8 935 175	8 899 022
FINANCIAL RESULT			-2 313 977	-7 300 690
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS			1 617 428	626 885



Item	France	Exports	31/12/2021	31/12/2020
Exceptional & extraordinary operating profits			8 000	
Exceptional & extraordinary income from capital transactions			2 578	
Reversals of impairment write-downs and provisions, transfers of charges				
EXCEPTIONAL INCOME			10 578	0
Exceptional & extraordinary expenses			521	3 336
Exceptional & extraordinary charges on capital transactions			2 582	0
Exceptional depreciation, amortisation and provisions				
EXCEPTIONAL EXPENSES			3 103	3 336
		EXTRAORDINARY PROFIT (LOSS)	7 475	-3 336
Employee profit-sharing				
Income tax expense			231 092	813 398
TOTAL INCOME			141 988 581	139 083 324
TOTAL CHARGES			140 594 770	139 273 174
		PROFIT OR LOSS	1 393 811	-189 849



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

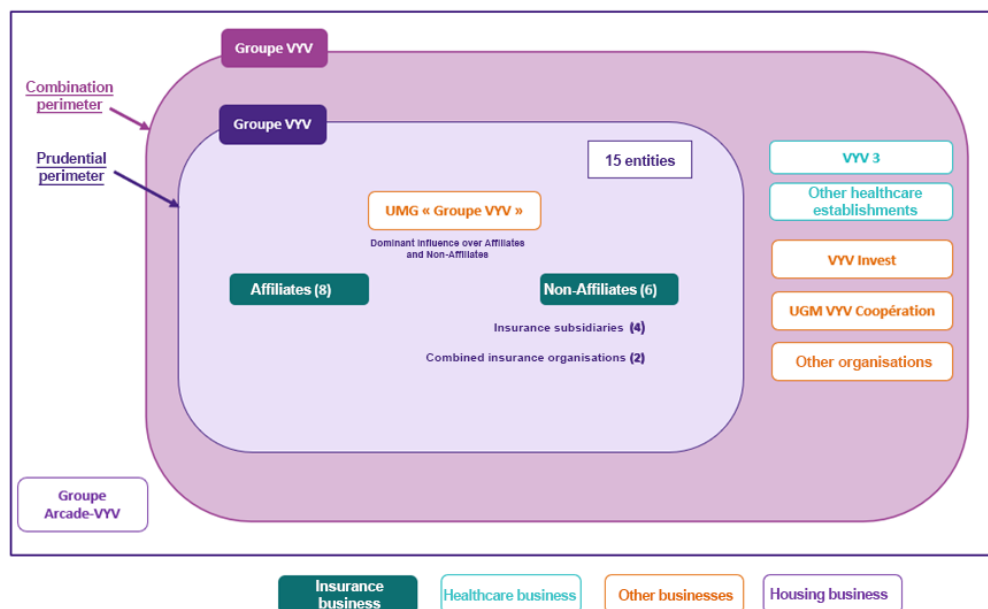
Perimeter

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 ("VYV³" union) which defines the group's strategy for the health, social and medico-social businesses;
- a group mutualist union (UGM VYV Coopération) 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 2021



Summary

This report was drawn up based on financial and regulatory data at 31 December 2021.

Groupe VYV had the following key figures:

<i>In €m</i>	31 December 2021	31 December 2020	31 December 2019
GROUPE VYV'S BUSINESS (combination perimeter)			
Groupe VYV's revenue	9,924	9,721	9,485
<i>including Insurance premiums</i>	7,711	7,657	7,604
Groupe VYV's income	80	74	- 48
<i>including Insurance income</i>	89	97	-1
GROUPE VYV'S SOLVENCY (prudential perimeter ^[A])			
Solvency Capital Requirement (SCR)	3,103	2,964	2,723
Solvency II own funds	5,391	5,197	4,861
Solvency ratio ^[B]	174%	175%	179%
FINANCIAL STRENGTH OF GROUPE VYV			
Rating	On 14 January 2022 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 2021 the prudential perimeter comprised 15 entities: the UMG Groupe VYV, eight affiliated members and six 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 €9,924m including insurance premiums of €7,711m, Groupe VYV is the leading health insurer in France and the leading national private non-profit operator for healthcare and related services.

At 31 December 2021 Groupe VYV's net income amounted to €80m (including €89m from insurance businesses), showing slight growth compared with 2020 in spite of the context of a persistent health crisis, the impact of which is visible on the different businesses:

- for the insurance business, health services increased greatly, due both to the postponement of treatment not carried out in 2020, but also to the continued deployment of the "100% Santé" reform favouring access to healthcare, hearing aids, eyewear and dental equipment. The good performance of the financial markets in 2021 and realisation of the associated unrealised capital gains made it possible to limit the impact on earnings.
- for the healthcare and related services businesses, some of which (child care, hearing aids and eyewear, clinics etc.) were sometimes negatively affected again this year by closures (day-care centres, stores in shopping centres) or the cancellation of certain non-urgent surgery, partly offset by support measures.

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.

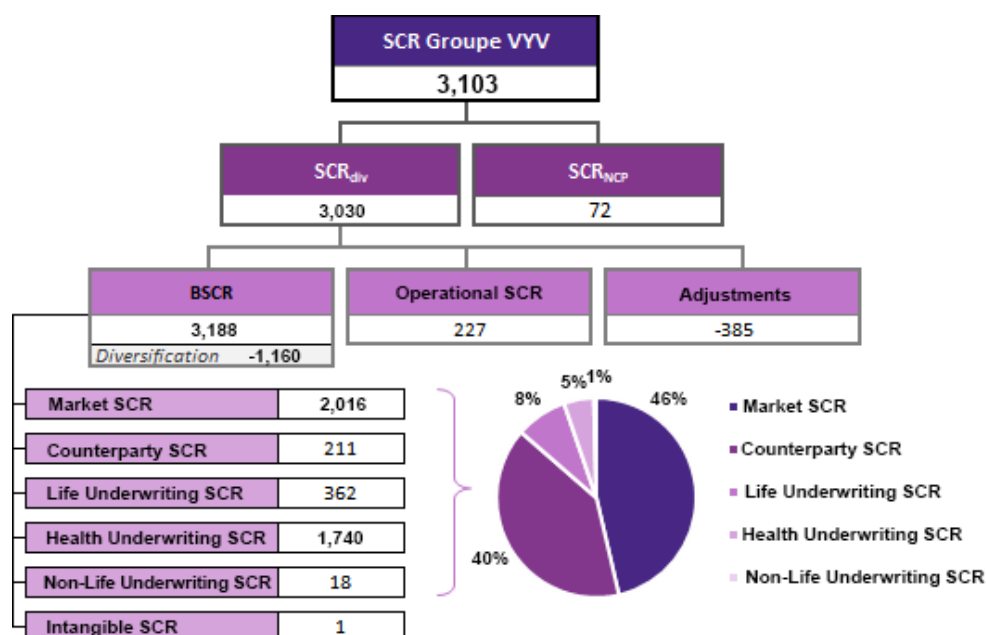
The UMG Groupe VYV has a dominant influence over the components of the prudential group. In particular, it ensures compliance with the rights and obligations resulting from the articles of association and affiliation agreements for its affiliates.



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 2021 were as follows:



Breakdown of Groupe VYV's SCR at 31 December 2021

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 (20% of the earned premiums).

Two operations changed the group's risk profile in 2021:

- firstly, the buy-out of 36% of the shares of Mutex at 30 June 2021 increased the group's exposure to risks due to the protection and retirement savings businesses;
- secondly, the transfer on 31 December 2021 of most of the businesses of SMACL SAM to SMACL SA, a newly created company in which the group has a 29% interest, reduced the group's exposure to risks due to the PCI¹ business.

¹ PCI means Property & Casualty Insurance.



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 2021, Groupe VYV's Solvency II balance sheet can be summarised as follows:

In €m	Solvency II value	In €m	Solvency II value
ASSETS		LIABILITIES	
Intangible assets	1	Technical provisions (gross of reinsurance)	12,162
Deferred tax assets	473	Deferred tax liabilities	739
Property, plant & equipment for own use	280	Other liabilities	3,924
Investments	17,939	TOTAL LIABILITIES	16,825
Reinsurance recoverables	1,521	EXCESS OF ASSETS OVER LIABILITIES	6,119
Loans and receivables	2,183		
Other assets	548		
TOTAL ASSETS	22,944		

Summary of Groupe VYV's Solvency II balance sheet at 31 December 2021

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 2021 and compares them with the same items at 31 December 2020:

In €m		31 December 2021	31 December 2020
Own funds under French standards		4,843	4,821
<i>Differences between French and prudential standards</i>	Revaluation of financial investments	2,786	3,403
	Revaluation of technical provisions	-1,116	-1,287
	Other impacts due to differences in the standards	-351	-456
Available own funds under Solvency II standards		6,162	6,481
Eligible own funds under Solvency II standards		5,391	5,197

Difference between own funds under French standards and prudential standards

At 31 December 2021, 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.



At 31 December 2021, with eligible own funds therefore of €5,391m (of which nearly 99% are classified as Tier 1²), for a capital requirement of €3,103m, the solvency ratio amounted to 174%. The own funds eligible to cover the minimum solvency capital amounted to €5,391m for a capital requirement of €1,111m, i.e. a coverage ratio of 485%.

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. €6,029m, Groupe VYV had a ratio, called the "aggregated ratio" of 194% at 31 December 2021.

The following table shows Groupe VYV's coverage ratios at 31 December 2021:

<i>In €m</i>	31 December 2021	31 December 2020	Difference
Groupe VYV SCR	3,103	2,964	139
Solvency II own funds	5,391	5,197	195
Solvency ratio	174%	175%	-2%
"Aggregated"	6,029	6,058	-29
"Aggregated" ratio	194%	204%	-10%

Solvency and "aggregated" ratios of Groupe VYV at 31 December 2021 and at 31 December 2020

Groupe VYV's solvency ratio remained almost stable between 31 December 2020 and 31 December 2021, decreasing from 175% to 174% due to a relative increase in the SCR almost equivalent to the relative increase in the Solvency II own funds.

In greater detail:

- the increase in the group SCR of €139m was mainly due to the increase in the market risk caused by the increase in the equity market, which was offset by the decrease in the non-life underwriting SCR, due to the transfer of a large part of the non-life obligations to SMACL SA;
- the increase in Solvency II own funds of €195m was mainly due to the profit achieved in 2021 and the decrease in minority interests in Mutex, these effects being offset by the decrease in unrealised capital gains on bonds.

It should be noted that the change in the Solvency II ratio was more favourable than the change in the aggregated ratio this year, due in particular to the acquisition of shares in Mutex, the transfer of the portfolio from SMACL SAM to SMACL SA, and the reinforcement of MNT's reinsurance programme: since these operations had different effects on the contributory SCR and the Solvency II own funds of the entities concerned, this reduced the impact on the legal solvency ratio of the limits linked to the affiliation agreement.

Furthermore, on 14 January 2022 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) confirming their financial strength.

² Tier 1 own funds are the highest quality own funds as defined in the Solvency II Directive.



 Établissement VYV³ - ESAT-EA - Villiers-le-Bel. © Hervé Thouroude.



Groupe VYV, Union Mutualiste de Groupe soumise aux dispositions du Code de la mutualité, immatriculée au répertoire Sirene sous le numéro Siren 532 661 832, numéro LEI 969500E016R1LL14UF62. Siège social : 62-68, rue Jeanne-d'Arc - 75013 Paris.
DirCom Groupe VYV/Agence interne de communication. 05/22

www.groupe-vyv.fr