



ACTIVITY REPORT 2019



Assurances
Versicherungen
Assicurazioni

Insured. Right now.

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Editorial

Let's make a commitment!

The world is fragile and the recent pandemic is a stark reminder of this. Everything can change very quickly. This awareness as well as the consequences of the crisis will leave their mark. Some things will probably never be the same again. Beyond the health, financial, political and social challenges that lie ahead, we must take stock of what has happened. We must also take away a number of lessons, in order to continue to go forward despite the difficulties. With strength and conviction, while remaining at your side.

Change, innovate, grow... In 2019 already, and well before the current crisis, Groupe Mutuel had decided to change and to call itself into question. Not out of principle, but simply to better support our policyholders and customers.

We are firmly convinced that the health insurance of the future will be closer to your needs, more responsive and more human. We intend to be your life partner and to provide you with the best possible advice, throughout your medical journey.

For this reason, Groupe Mutuel, with its 2,300 employees, is committed every day to offering you high-quality services and benefits. The road ahead will be demanding but, as the saying goes, the journey is as important as the destination.

Groupe Mutuel's journey in 2019, the most significant pages of which you will find in this Activity Report, was marked by three key factors: excellent financial results, increasingly strong commitments and a relentless determination to move forward. Our main concern is the satisfaction of our customers.

The financial results achieved in 2019 are solid and have allowed Groupe Mutuel to redistribute CHF 100 million to its policyholders. This goes to show that we are living up to our strategy and commitments. When premiums are able to cover costs and that reserves are sufficient, it is our intention and duty to repay our policyholders and not to accumulate excessive reserves. The level of premiums also comes as a pleasant surprise since, for the first time, we were able to offer an average reduction of 1.6% to our policyholders. The efforts made to contain rising costs must continue at all levels, or else premiums will increase once again.

With 1.3 million people insured, Group Mutuel is the largest insurer with headquarters in French-speaking Switzerland. Our commitments to the community can be divided into several areas: sports and cultural sponsorship, innovation for clients, exchange of ideas, sustainable development, well-being in the workplace and volunteer work. We would like to highlight some of these commitments in this Activity Report.

Groupe Mutuel is strongly determined to move forward. In 2019, a number of projects were launched, initiated by the Board, supported by the Executive Board and implemented by our employees.

Everything we do is done with you in mind, with the aim to offer you the best possible services. This is our intention and duty in such a sensitive and important area as health. May the spirit and dedication of the health insurance pioneers ensure that we never lose sight of this goal, especially in these troubled times.

Karin Perraudin
President

Thomas Boyer
Chief Executive Officer



Key figures

Groupe Mutuel Holding SA

100 mio

PAYMENT TO POLICYHOLDERS IN 2020 BASED ON THE 2019 RESULTS

5,420,102

COLLECTED PREMIUMS / TURNOVER
(CONSOLIDATED FIGURES IN CHF THOUSAND)
5,619,000 IN 2018

485,181

ANNUAL RESULTS
(CONSOLIDATED FIGURES IN CHF THOUSAND)
308,395 IN 2018

40%

EQUITY RATIO
IN % OF NET INSURANCE PREMIUMS
32.4% IN 2018

1,329,402

NUMBER OF PRIVATE CUSTOMERS
AS AT 01.01 OF THE FOLLOWING YEAR
1,327,594 IN 2018

24,000

NUMBER OF CORPORATE CUSTOMERS
AS AT 01.01 OF THE FOLLOWING YEAR
23,000 IN 2018

4.1%

ADMINISTRATIVE
COSTS
3.9% IN 2018

2019

2018

2,317



NUMBER OF EMPLOYEES AS AT 31.12

2,279

34



NUMBER OF AGENCIES

34

5



NUMBER OF SERVICE CENTRES

5

39% / 61%



PERCENTAGE MEN/WOMEN

39% / 61%

Groupe Mutuel

in 2019

Focus on
cost control

4.1%

In 2019, the average cost per AOS/OKP insured person rose to CHF 3,867 (3,668 in 2018), which represents a slight increase.

OUR ADMINISTRATIVE COSTS REPRESENTED ONLY 4.1% OF PREMIUMS (3.9% IN 2018), WHICH IS BELOW THE INDUSTRY AVERAGE.

Groupe Mutuel continues to ensure that its administration remains cost-effective, in order to contain its operating costs, while ensuring the provision of high-quality services to its customers.

Together with the digitisation of an increasing number of interactions with our customers, improvement measures and various initiatives introduced during the year will allow us to contain administrative costs.

Invoice verification:
digitisation to help
contain costs

10.3%

In 2019, the total amount of medical invoices received by Groupe Mutuel exceeded CHF 5.5 billion for all types of treatments. Verification and corrections made by using new technology, as well as the expertise of our employees, **ALLOWED US TO REDUCE EXPENSES BY 10.3%, THAT IS OVER CHF 573.9 MILLION,** which represents a relief on the same amount of premiums.

In 2019, the most significant savings resulted from "other outpatient care" (CHF 145.6 million) and outpatient hospital care and doctors (CHF 132.9 million). The next largest savings were made in inpatient hospital care and EMS care homes (CHF 107.7 million) and in drugs (CHF 31.3 million).

Refunding benefits
without delay is added value
for our customers

6.1

days

In terms of the average time to process invoices, we are maintaining our objective to refund benefits within 15 days, which involves processing claims in-house in no longer than eight days.

In 2019, this objective was met for most types of healthcare providers, with an **AVERAGE PROCESSING TIME OF 6.1 DAYS.**



LAUSANNE



VILLARS-SUR-GLÂNE



ZURICH

The five service centres of Groupe Mutuel



SION

MARTIGNY

Our commitment to health, sports and culture

Through sponsoring or partnership initiatives, Groupe Mutuel is involved in national and regional events, whether in sports or culture, and is able to offer preferential rates to its policyholders and employees.

Taking big or small strides, working out or running with friends or family... the range of sporting events and activities supported by Groupe Mutuel in Switzerland is extensive.

Health and sports

RUNNING EVENTS

Ready, steady, go! The running season takes place all year round with Groupe Mutuel, everywhere in Switzerland. For example, the following popular races took place in 2019: Bremgarter Reusslauf, Kerzerslauf, Brig-Glis city race, Bern Grand Prix, Stralugano, Le Tour des Alpes, Sierre-Zinal, Hallwil Lake Run, Lausanne Marathon, Corrida Bulloise, La Trotteuse-Tissot, Zurich New Year's Eve Run. And two new women's races were included for the first time: the Basel Women's Run and the Winterthur Women's Run.

TEAM GROUPE MUTUEL 2019

A collective challenge

In 2019, 50 enthusiastic amateur runners were selected to take part in a human and athletic challenge. A team bearing the colours of Groupe Mutuel was set up and managed with a professional approach. The members of Team 2019 successfully overcame all of the challenges together.

The adventure began in March. During kick-off, members met for the first time to receive their equipment. Our amateur runners then met in Sion and Bellikon. There, the Swiss Olympic Medical Center set up physical aptitude tests in order to adjust the training sessions to each and everyone's needs. From that moment onwards, the runners took part in collective training sessions, while following their individual programme. In May, the Bern Grand Prix signalled the start of a season that would prove to be unlike any other. Whether pushing oneself to the limit or competing as a team, the runners worked hard to meet their challenges and ended the season in style at the Hallwil Lake Run.

**Team
Groupe
Mutuel**

suisse.bouge

"SWITZERLAND ON THE MOVE"

suissebouge.ch ("Switzerland on the move") aims to encourage everyone to exercise and to promote a healthy and balanced diet. Across Switzerland, young and old alike come together to practice their favourite sport.

"Duel intercommunal" (contest between two towns): in over 160 towns and villages in Switzerland, thanks to a mobile application and a time-badge, the minutes of physical activity completed by participants are counted and added to the performance of his/her team.

Coop Andiamo project: this project brings together families and friends around one ambition: to work out.
www.suissebouge.ch

aide sportive

SWISS SPORTS AID FOUNDATION

The Swiss Sports Aid Foundation supports talented athletes in all disciplines. Groupe Mutuel sponsors ten sportsmen and women throughout Switzerland (diving, badminton, biathlon, swimming, sailing, cross-country skiing, fencing, snowboarding, athletics, tennis).

In addition to this partnership, Groupe Mutuel is also involved in the Sports Aid Super10Kampf at the Hallenstadion in Zurich.

www.aidesportive.ch

To laugh, to sing, to dance and to be enchanted: Groupe Mutuel is committed to offering exceptional and breathtaking moments to its policyholders and staff.

Cultural events



LIVE MUSIC PRODUCTION

Live Music Production organises high-quality concerts, festivals and musicals. Every year, some 80 events are available for Groupe Mutuel policyholders.

www.livemusic.ch



MAAG MUSIC & ARTS

MAAG, which loves anything out of the ordinary, offers a multitude of breathtaking shows, related either to circus, music-hall or dance.

www.bymaag.ch



COMEDY FESTIVAL SCHWEIZ

In six different German-speaking cities, Peter Löhmann and his artists offer an evening of comedy and magic for the whole family, in support of children in difficulty.

www.comedy-festival.ch



ZERMATT UNPLUGGED

In an idyllic setting with acoustic music, Zermatt welcomes the greatest artists who revisit old classics. In the trendiest of festivals, Zermatt Unplugged combines breathtaking scenery with musical moments, during five days at the foot of the Matterhorn.

www.zermatt-unplugged.ch



SUMMERDAYS

Local and international artists meet on the shores of Lake Constance for a musical summer weekend.

www.summerdays.ch



SOUNDS OF SILENCE

The "Sounds of Silence" concept is simple: to replace speakers by headphones. This was the case in the summer of 2019, at the top of the Schilthorn, where the Swiss-German band Halunke embarked the audience on an exceptional musical journey.

www.soundsofsilence.ch



Health policy and economics

Long-term financial sustainability for basic health insurance

Since health costs for the population are still increasing, the basic health insurance faces a major challenge: everyone must have access to healthcare but, for this to be possible, the system must be financially sustainable in the long-term. Groupe Mutuel is therefore in favour of sustainable reform proposals, such as single funding for outpatient and inpatient care (EFAS).

“We support this approach because it helps remove false incentives in the current system”, said Thomas J. Grichting. “The eligibility of healthcare providers, which is ideally linked to the introduction of single funding, must also be addressed in a sensible and sustainable manner”.

In 2019, the Swiss Parliament continued to work on a draft revision on the limitation of healthcare provider eligibility, which was introduced only temporarily. In addition, the Swiss Federal Council submitted to Parliament its report on the first set of measures designed to contain health costs.

New perspectives for health policy


Groupe Mutuel is openly committed to a liberal health policy. In addition to holding regular and direct exchanges with key players in the health sector, Groupe Mutuel manages the “Working Group” discussion platform.

Thanks to factual information arising from the everyday experience of an insurance company, it is possible to learn more about the health system. Therefore, ideas for relevant and sustainable solutions can be developed.

Commitment to health economics

To contribute to the acquisition of new and relevant health-related knowledge, Groupe Mutuel has recently strengthened its cooperation with various universities. A concrete example of this is the study on the use of benzodiazepines by elderly people, conducted with the University of Lausanne, the results of which were published in medical journals and the media.

“Our activities in the field of health economics focus on over-consumption and the inappropriate use of medicines”, said Daniel Volken, Deputy Director and Head of the General Secretariat. “By making anonymous data available, we are able to support research and, at the same time, offer our extensive experience in the healthcare sector, both in research design and study preparation”.



Groupe Mutuel aims to defend its policyholders and customers when it comes to developing the framework conditions of the health and insurance system. Therefore, in 2019, Groupe Mutuel took a clear stance on a number of issues, published eight position papers and adopted a constructive approach on consultations and legislative reviews.

“As an important player in the system, it is our duty to contribute our expertise to its further development,” explained Thomas J. Grichting, Director and Secretary General of Groupe Mutuel.



Digital transformation

How can we better respond to our customers' needs?

How can we better respond to our customers' needs? By listening to them and by being responsive. This is precisely what Groupe Mutuel has done through its digital transformation. It is necessary to have new models in order to meet expectations. These models need to be imagined, designed and translated into reality, as well as tested and supported financially.

To do this, adjusting work processes and developing skills are at the heart of the digital transformation process that was initiated at Groupe Mutuel. Whether in terms of organisation, services, IT, working methods or corporate culture, digital transformation places the customer at the heart of our approach.

With the aim of implementing its strategy more rapidly and to prepare for the future, Groupe Mutuel created in 2019 a new department, "Transformation & Business Development". This was done in order to anticipate customer needs, make the best use of new technologies, and imagine and offer new services tailored to users' requirements.

Located in our new premises at Avenue de la Gare 20 in Sion (Valais), the new "Transformation & Business Development" department brings together innovation and development. Transformation, including digital transformation, means listening to the customer and including him/her in all of our processes from the outset. Transformation first identifies any difficulties pointed out by the user and helps to overcome them.

Innovation serves to inspire us, to observe market trends, whether technological or medical, and to develop a number of partnerships.

Innovation is at the service of the entire organisation and fuels the development of new ideas and opportunities. In turn, models and ideas are translated into products and services for policyholders.

Groupe Mutuel's innovation ecosystem is based in Sion. The objective is to develop greater synergies and to introduce an innovation culture within the company.

As the coordinator of an ecosystem, Groupe Mutuel intends to become the life partner of its policyholders and to offer them support throughout their medical journey. This will be done based on three pillars: prevention, treatment and support.

The second season of InnoPeaks, dedicated to developing start-ups in the fields of Healthtech and Insurtech, was launched in October 2019.

Open to start-ups from all over the world, InnoPeaks selects each year around ten innovative projects related to the transformation of insurance and the health system. The 10 selected start-ups benefit from high-level coaching and from the infrastructure necessary for their development. This year, a strong focus was placed on prevention and areas more closely related to the Swiss health system.

InnoPeaks provides support to start-ups in various tangible forms. This includes access to the Swiss market, which is one of the most mature and innovative in the world, the possibility to work with Swiss health insurance experts, proximity to the best international researchers in artificial intelligence (Idiap), coaching from experienced mentors and a Swiss funding ecosystem.



"The information I need, when I need it".
Groupe Mutuel's objective is to be increasingly attentive to policyholders and to respond to their requests.



Volunteer work

A touch of humanity

Marc Wichmann, who has been working for Groupe Mutuel for almost 21 years, has strong social awareness. Together with his wife, he supports people in need in the Philippines. Because not everyone is lucky enough to be able to support oneself...

They form a heterogeneous family. Marc Wichmann and his wife have five children and soon two grandchildren. This young man of 59 years old also considers Groupe Mutuel as his family. This is one of the reasons why he works for Groupe Mutuel. "I am a sensitive person who loves social commitment. And I am happy to be able to put this into practice both professionally and in my private life," said Marc Wichmann.

"In the Philippines, there is no compulsory health insurance like here in Switzerland. In the event of illness or accident, poor people are left to fend for themselves"

Marc Wichmann, Groupe Mutuel employee

T-shirts with holes as big as in an Emmental cheese...

Marc Wichmann came into contact with people in need in the Philippines through his wife. "In the Philippines, there is no compulsory health insurance like here in Switzerland. In the event of illness or accident, poor people are left to fend for themselves", explained the insurance specialist.

For the past eight years, the Wichmanns have been sending money and food to the provinces of Cebu and Negros. They help where they can and in a very specific way. "Our help must benefit people in need."

Most aid supplies consist of clothing. The Wichmanns collect their friends' used clothes and sort through them. They also make sure they don't miss any bargains... If T-shirts are on sale, they immediately buy a whole batch for people in the Philippines whose T-shirts have holes as big as in an Emmental cheese. "We also collect soap, toothbrushes and toothpaste. The aim is to cover basic needs. But sometimes we also send packets of spaghetti", said Marc Wichmann with a smile.

Collecting aid supplies is an ongoing process. Thanks also to the employees of Groupe Mutuel, the Wichmanns have managed to gather a lot of good quality clothing.

More than half a ton of aid supplies

Most of the time, the Wichmanns go to the Philippines where they hand out clothes and hygiene articles to the most needy people. This was the case last year. They spent four weeks in the Philippines. Four months before they left, they started to ship aid supplies. Three months only is the time it takes to send aid by boat. They plan their own departure so that they can be on site when the aid supplies arrive. "There are five or six boxes each weighing more than 100 kg each. This represents more than half a ton of aid supplies that we distribute every year," explained Marc Wichmann. For a short time, their house takes on the appearance of a shop with the only difference that the goods on sale cost nothing.

Grateful to be able to help

Marc Wichmann and his wife are happy to help. Whether for a new roof, which keeps the inside of a house dry when it rains, or for a renovated motorbike that will serve as a taxi. "We often receive photos showing what has been achieved thanks to our contribution. This is our greatest satisfaction", he concluded.

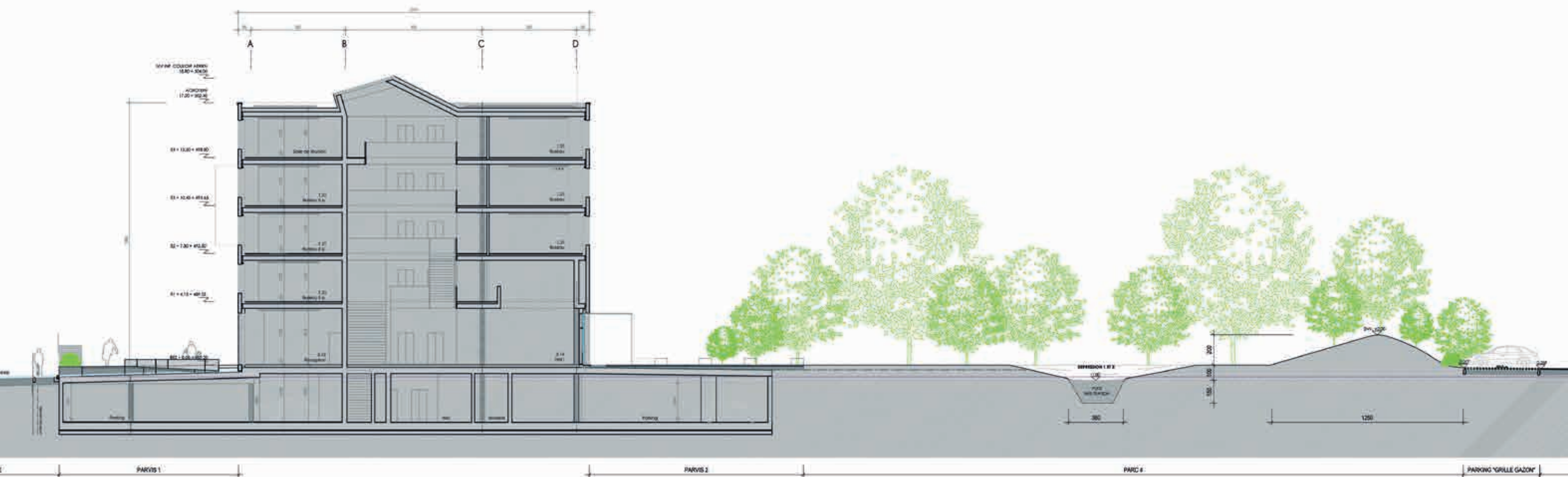
Environment and sustainable development

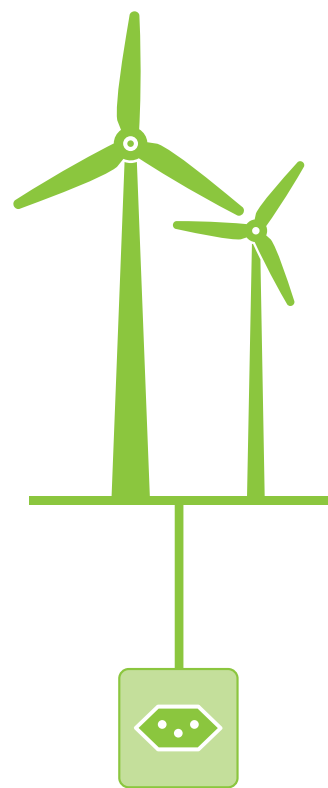
Environment and sustainable development are priorities for Groupe Mutuel, both in day-to-day activities and strategic decisions.

The "Sion Blancherie" centre, the most recently-built of Groupe Mutuel service centres, meets the highest standards in terms of environment and sustainable development. Energy (hot/cold) is produced by heat pump with groundwater, and the surplus energy produced during the warm season is sold to the commune of Sion to heat the public swimming pool. The premises also include a rooftop photovoltaic energy production facility and a landscape design with indigenous and low-maintenance plants requiring minimal watering. As for the building itself, it is built and certified to "Minergie" standards. It also includes charging facilities for electric vehicles.

Apart from electricity, the energy produced (photovoltaic solar and heat pump) is greater than the energy consumed (hot water, heating, ventilation, air conditioning).

Introducing waste collection and sorting points at each Groupe Mutuel location (paper, glass, PET, aluminium, green waste, paper-cardboard, batteries, etc.) and removing individual bins has led to a net reduction of 50% in the volume of waste incinerated.





Purchase of Swiss renewable electricity



Use of environmentally-friendly cleaning products

Measures taken at all Groupe Mutuel service centres



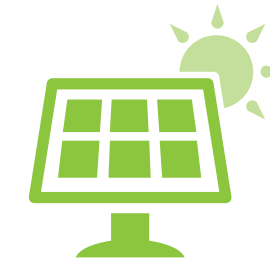
Selective sorting and recycling of waste



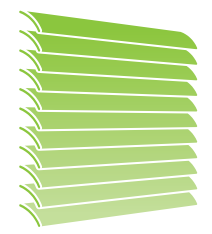
Recycling of all paper intended for disposal



"Minergie" certified building (Sion)



Photovoltaic solar installations

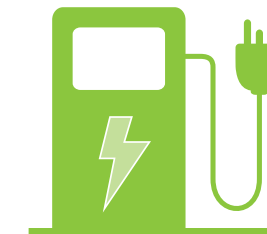


Automatic turn-off light sensor and window blinds

Measures integrated into the new buildings and renovations of Groupe Mutuel service centres



Remote control of heating/cooling by heat pump



Charging terminals for electric vehicles



Landscape designs with indigenous plants with low-watering requirements

Did you know that...

Digitisation is good for the environment. The GMnet online platform and its free mobile application GMapp, used by some 200,000 policyholders, also allow for substantial paper savings since all correspondence and exchanges between insured persons and Groupe Mutuel can take place in digital format.



At Groupe Mutuel, asset management principles also meet environmentally-friendly considerations

In terms of asset management, Groupe Mutuel applies exclusion criteria, such as in the area of weapons and physical agricultural raw materials.

Furthermore, in terms of social impact, Groupe Mutuel has invested in micro-finance through an entity active in developing countries – South America, the Middle East and South-East Asia (excluding Japan).

Since the end of 2018, Groupe Mutuel has also incorporated private markets into the allocation of its assets under management, with ESG-labelled funds ("Ethical, Social, Governance"). Social aspects, the environment and governance all play a key role in this process.

In addition, in 2020, a more refined methodology will be developed to fine-tune the approach to sustainable development criteria.



HUMAN Resources

The Human Resources department of Groupe Mutuel aims to provide high-quality services to all employees, to support managers in supervising their teams and to allow each and every employee to develop his/her full potential to achieve collective performance.

To this end, HR fosters a culture of diversity, innovation and change through a flexible, motivating and dynamic work environment.

Foundations of the new HR strategy

2019 was marked by the implementation of a new Human Resources strategy.

This strategy stems from the results of an employee survey on job satisfaction and work commitment and from the findings obtained during cross-sectoral workshops held for managers.

"WE HAVE LAID THE GROUNDWORK FOR FUTURE HR WORK", SAID KRISTEL ROUILLER (PHOTO), HUMAN RESOURCES DIRECTOR. "OUR ACTIVITIES ARE EVER MORE DEMANDING. WE NEED TO MOVE FROM AN ADMINISTRATION-ORIENTED PERSONNEL DEPARTMENT TOWARDS AN INTEGRATED HR DEPARTMENT WITH THE APPROPRIATE SPECIALISTS."

27,312

HOURS DEVOTED TO TRAINING

80%

OF EMPLOYEES ATTENDED TRAINING COURSES

38

APPRENTICES WERE UNDERGOING TRAINING
AT THE END OF THE YEAR



Increased requirements due to a change in corporate culture

With measures implemented at all levels of the company, HR is supporting the required change in corporate culture that aims to place customers, partners and employees at the centre of attention.

"By giving employees more responsibility and scope for action, their activities and the content of their work will become more meaningful and motivating," said Kristel Rouiller. For us, this means having to develop both the professional skills of employees and the leadership abilities of managers."

Training and development are key factors

A total of 27,312 hours were dedicated to training and development (i.e. 3,414 days) or 1.5 day per employee, which reflects the importance of this key factor in developing the potential of Groupe Mutuel employees. 80% of employees benefited from the training available.

Another significant area of focus is manager training, which is based on three key words that emerged from the survey results: listening, empathy and humanity.

As far as basic training is concerned, 38 apprentices (CFC) and nine MPC interns were undergoing training at the end of the year. These training efforts were successful, as reflected in the certification obtained: 32 diplomas, nine federal certificates of vocational training (CFC) and six commercial professional maturity diplomas (MPC).

Employer brand and recruitment

Groupe Mutuel aims to be an attractive employer for employees and managers alike. "However, this message needs to be communicated to the outside world more strongly than ever before, so that professionals are able to identify us as an attractive employer", added Kristel Rouiller.

"In addition, our digitisation strategy as well as the transformation and diversification of the company require that the recruitment process becomes even more professional". To this end, target groups, tools and methods were defined and implementation began in 2019.

Governance

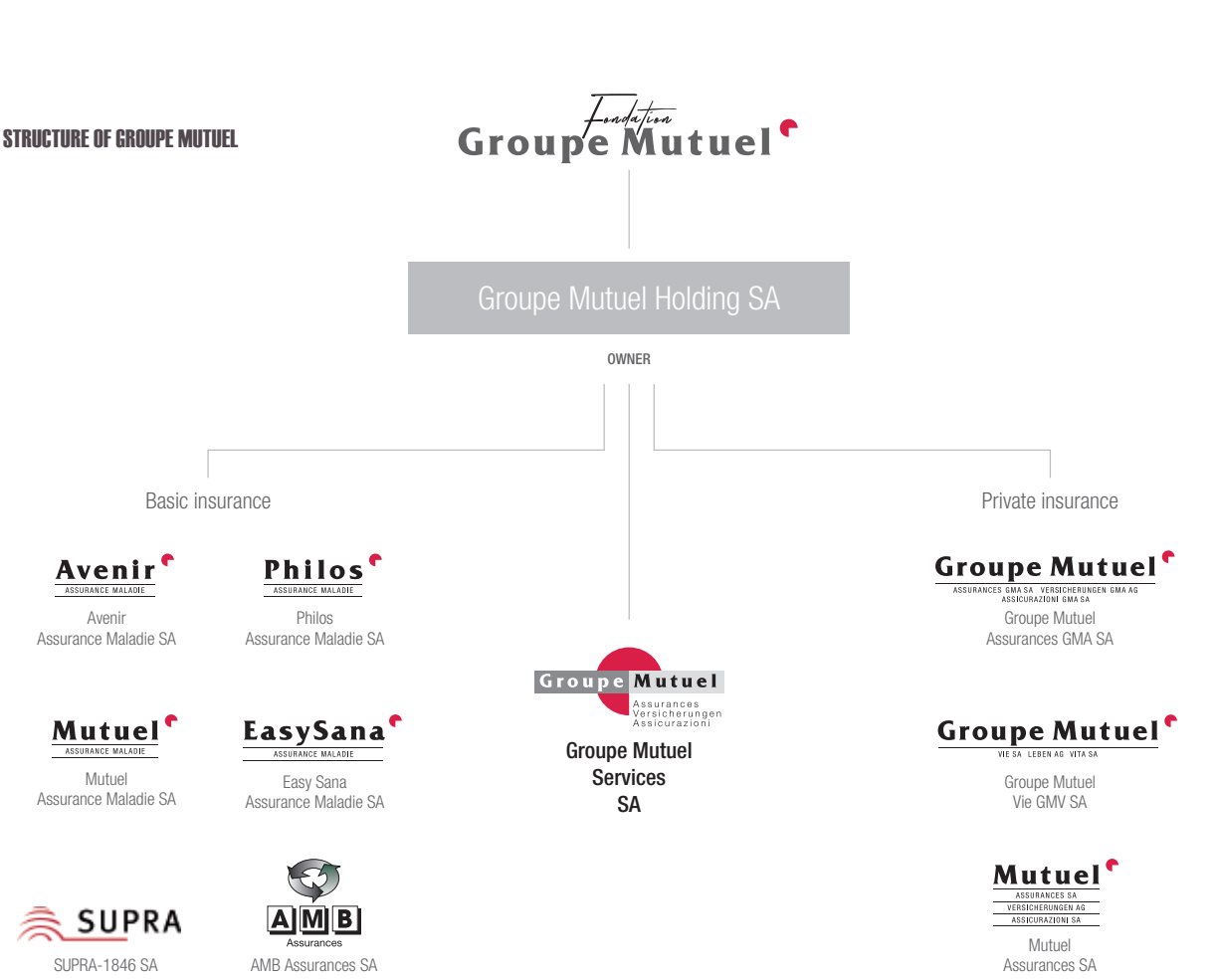
Groupe Mutuel

SINCE 1 JANUARY 2018, GROUPE MUTUEL HAS BEEN ORGANISED IN THE FORM OF A HOLDING COMPANY. THE COMPANIES THAT MAKE UP THE HOLDING COMPANY ARE ACTIVE IN VARIOUS INSURANCE FIELDS, SUCH AS HEALTH, LIFE, PATRIMONY OR CORPORATE INSURANCE.

Groupe Mutuel Holding SA is wholly owned by Groupe Mutuel Foundation, a non-profit foundation. The Foundation supports the well-being of Swiss people, as well as health promotion and prevention measures, by carrying out a wide range of activities.

The subsidiary company Groupe Mutuel Services SA makes its administrative infrastructure and employees available to the other companies of the group. This pooling of resources allows for the development of synergies that benefit all of the companies and, in the end, customers. Services are clearly differentiated between the various insurance business segments, in particular between compulsory health insurance (LAMal/KVG) and supplemental insurance (LCA/VVG), as well as between the different companies. Services are invoiced to member companies according to allocation keys in line with the industry's good practices. The services allocated are audited by an independent third party so that each company's contribution is in line with the actual use of resources.

Groupe Mutuel Services SA may also offer its services to third parties. This is particularly the case for health insurance and occupational pension benefits.



OVERVIEW OF THE SUBSIDIARIES OF GROUPE MUTUEL HOLDING SA AND OF THEIR ACTIVITIES

Groupe Mutuel Holding SA owns six health insurance companies that offer compulsory health insurance: Mutuel Assurance Maladie SA, Philos Assurance Maladie SA, Avenir Assurance Maladie SA, Easy Sana Assurance Maladie SA, SUPRA-1846 SA and AMB Assurances SA.

The private insurers that offer supplemental health insurance and patrimony insurance are Groupe Mutuel Assurances GMA SA and Mutuel Assurances SA. For its part, Groupe Mutuel Vie GMV SA offers life insurance products.

Some insurance companies also offer accident insurance (LAA/UVG) and daily allowance in the event of illness pursuant to LAMal/KVG and LCA/VVG.

Groupe Mutuel Services SA makes available its administrative infrastructure and employees to the other companies of the group.

	LAMal/KVG basic health insurance	LCA/VVG supplemental insurance	Patrimony insurance (LCA/VVG)	Accident insurance pursuant to LAA/UVG	Daily allowance	Life insurance
Mutuel Assurance Maladie SA	■				■	
Philos Assurance Maladie SA	■				■	
Avenir Assurance Maladie SA	■				■	
Easy Sana Assurance Maladie SA	■				■	
SUPRA-1846 SA	■				■	
AMB Assurances SA	■				■	
Groupe Mutuel Assurances GMA SA		■	■	■	■	
Mutuel Assurances SA		■	■	■	■	
Groupe Mutuel Vie GMV SA						■

The Board of Groupe Mutuel Holding SA and its specialised committees

The Board is responsible for the strategic management of Groupe Mutuel Holding SA. It consists of five to nine members elected for four years.

It defines the company's position and strategy, exercises high-level management and supervision and sets the organisational structure and principles of the internal control system.

It is supported in its work by three specialised committees: the Audit and Risk Committee, the Innovation and Digital Transformation Committee and the Remuneration and Appointments Committee. The committees regularly inform the Board of their activities.



THE AUDIT AND RISK COMMITTEE is chaired by **Jean-Blaise Conne** (photo) and comprises two other members of the Board.

Its main task is to verify the integrity of the financial information, compliance with legislation, internal regulations and guidelines, supervision of the internal control system and audit processes. It organises and assesses the performance, certification and independence of internal and external auditors.



THE INNOVATION AND DIGITAL TRANSFORMATION COMMITTEE was chaired by Thomas Boyer until 30 June 2019 and then by **Jürg E. Tschanz** (photo) as from 1 July 2019. It also comprises two other members of the Board.

It defines and submits to the Board the strategy for digital transformation and innovation, taking into account technology, political and market environment changes, as well as the medium and long-term business development strategies of Groupe Mutuel. In addition, it defines and puts forward the strategy for using new information and communication technology for the benefit of the company. Finally, it reviews the partnership or acquisition strategy to be put in place to achieve the objectives set, and reviews proposals and recommendations to the Board in relation to strategic partnerships.



THE REMUNERATION AND APPOINTMENTS COMMITTEE is chaired by **Marc-André Ballestraz** (photo) and comprises two other members of the Board.

It submits proposals to the Board regarding the remuneration of Board and Executive Board members. It is also responsible for the appointment and replacement of Board and Executive Board members. It sets the individual objectives of the Executive Board and assesses them. It reviews the remuneration system on a regular basis.



Board members of Groupe Mutuel Holding SA

for 2019

Karin Perraudin – President²

Master's degree in Business (HEC), Certified chartered accountant
Board Director for various companies
President of Valais/Wallis Promotion

Roland Marcel Eberle – Vice-President³

Agricultural Engineer
Board Director for various companies
Member of the Council of States from 2011 to 2019

Fabio Naselli Feo – Secretary²

Entrepreneur
Board Director for various companies

Marc-André Ballestraz – Member^{1,3}

Master's degree in Commercial and Industrial Sciences
Certified chartered accountant
Member of the General Management of Fidag SA accounting firm

Thomas Boyer – Member until 30 June 2019²

Master's degree in Business (HEC)
Member of the General Management of Groupe Mobilière Assurances

Jean-Blaise Conne – Member¹

Certified chartered accountant
Board Director for various companies

Urs Schwaller – Member^{1,3}

Doctor of Law
Lawyer
President of the Board of La Poste

Jürg E. Tschanz – Member²

MBA in Finance and Strategic Management
Entrepreneur / Co-founder and President of planitwiss group

¹ Member of the Audit and Risk Committee

² Member of the Innovation and Digital Transformation Committee

³ Member of the Remuneration and Appointments Committee





The Executive Board

The operational management of Groupe Mutuel and its member companies is under the responsibility of the Executive Board that comprised six to eight members in 2019.

It implements the strategies approved by the Board and applies risk management principles.

Furthermore, it monitors legal and regulatory developments and ensures compliance with the latter.

REINFORCEMENT OF THE EXECUTIVE BOARD

Following the departure of two Executive Board members in 2018, Groupe Mutuel decided to reinforce its organisation.

After more than five years as CEO, Paul Rabaglia handed over to Thomas Boyer and took over responsibility for the new Transformation & Business Development department.

Thomas Boyer, formerly member of the Executive Board of La Mobilière and of the Board of Groupe Mutuel Holding SA, was appointed CEO as of 19 August 2019.

In addition, with the arrival of Pierre-Luc Marilley as Director of the Customers & Markets Department in

October 2019, Vincent Claivaz was able to fully concentrate on managing the Corporate & Occupational Benefits department. The appointment of Pierre-Luc Marilley aims to reassert the company's commitment to placing the customer at the centre of its priorities.

With these various appointments, the Board has clearly intended to strengthen the Executive Board in order to meet the ambitious objectives that were set, including in terms of customer experience and digital transformation. At the end of 2019, the Executive Board of Groupe Mutuel comprised eight members.

CODE OF CONDUCT

Groupe Mutuel Holding SA has a Code of Conduct, adopted by its executive bodies, in order to provide a framework for its activities. The Code of Conduct clearly sets out the ethical and professional values held by Groupe Mutuel, as well as behaviour guidelines for its staff. The executive bodies and employees of Groupe Mutuel Holding SA or the member companies must all comply with the Code of Conduct, without exception.

INTERNAL CONTROL SYSTEM

The Board adopted guidelines and principles for risk management and control. It requested that the Executive Board implement the latter. The risk management process and internal control system help to identify and assess potential risks and to take appropriate action.

Implementing risk management and the internal control system follows the principle of three lines of defence. The first line of defence is provided by line management and business units. The second line of defence comprises the monitoring functions, including compliance, risk management and the actuarial department. Internal Audit forms the third line of defence.

The monitoring functions and Internal Audit have unrestricted access to information and carry out their activities independently.



The members of the Executive Board in 2019

Paul Rabaglia

Chief Executive Officer until 18.8.2019, and then Director of Transformation & Business Development as from 19.8.2019
Master's degree in Business (HEC)

Vincent Claivaz

Corporate & Occupational Benefits and Customers & Markets (ad int.) until 30.09.2019
Diploma of Senior Technician in Catering and Tourism
Master's degree in Hospital Management

Thomas J. Grichting

Services

Doctor of Law / Lawyer

Florian Raemy

Finance
EPFL engineer
Master in Business Administration HEC

Sophie Revaz

Individual Benefits
Master's degree in Law / Lawyer

Philippe Buthey

Technology
Computer Scientist Diploma ES

Thomas Boyer

Chief Executive Officer as from 19.8.2019
Master's degree in Business (HEC)

Pierre-Luc Marilley

Customers & Markets as from 1.10.2019
Master's degree in Economic Sciences



COMPLIANCE FUNCTION

The Compliance function is responsible for ensuring compliance with legislation and with the internal and external regulations of Groupe Mutuel, as well as of the companies having transferred the compliance function to the latter.

RISK MANAGEMENT FUNCTION

The Risk Management function is responsible for integrated risk and control management, including the independent assessment of risks and control as well as the coordination of the internal control system.

INTERNAL AUDIT

The Internal Audit supports the Board in its oversight function. It regularly informs the Board of its findings and suggests improvements.

REMUNERATION OF THE MEMBERS OF THE BOARD AND EXECUTIVE BOARD

The remuneration of the Board of Groupe Mutuel Holding SA is governed by regulations adopted by the bodies of all companies of the holding company. It consists of a fixed fee and the reimbursement of representation or travel expenses. No variable bonus is granted. For all member companies of the holding company, the regulations limit the annual remuneration to CHF 25,000 for the President and to CHF 24,000 for other Board Members. The total annual remuneration of the members of the Board is also capped, regardless of the number of Boards on which those members serve within the companies of Groupe Mutuel Holding SA. The ceiling is CHF 220,000 for the President and CHF 100,000 for the other board members.

Upon proposal of the Remuneration and Appointments Committee, the Board sets the remuneration of the members of the Executive Board. This remuneration includes a salary (a basic salary and a variable bonus, which cannot exceed 20% of the basic salary), occupational benefits and other allowances. The variable bonus is calculated taking into account predefined criteria which are based on individual and corporate results. The total remuneration of the Executive Board in office is CHF 2,859,992. The highest total remuneration is CHF 472,007.

ORGANISATIONAL CHART OF GROUPE MUTUEL AS AT 31.12.2019

Board of Groupe Mutuel Holding SA

PRESIDENT	VICE-PRESIDENT	SECRETARY	
Karin Perraudin	Roland Marcel Eberle	Fabio Naselli Feo	
MEMBER	MEMBER	MEMBER	MEMBER
Marc-André Ballestraz	Jean-Blaise Conne	Urs Schwaller	Jürg E. Tschanz

Executive Board

Thomas Boyer Chief Executive Officer						
INDIVIDUAL BENEFITS	FINANCE	TRANSFORMATION & BUSINESS DEVELOPMENT	TECHNOLOGY	SERVICES	CORPORATE & OCCUPATIONAL BENEFITS	CUSTOMERS & MARKETS
Sophie Revaz Director	Florian Raemy Director	Paul Rabaglia Director	Philippe Buthey Director	Thomas J. Grichting Director	Vincent Claivaz Director	Pierre-Luc Marilley Director

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Groupe Mutuel

Health® Life® Patrimony® Corporate®

Groupe Mutuel
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Avenir Assurance Maladie SA – Easy Sana Assurance Maladie SA – Mutuel Assurance Maladie SA – Philos Assurance Maladie SA – SUPRA-1846 SA – AMB Assurances SA
Groupe Mutuel Assurances GMA SA – Mutuel Assurances SA – Groupe Mutuel Vie GMV SA
Foundations managed by Groupe Mutuel: Groupe Mutuel Prévoyance-GMP – Mutuelle Neuchâteloise Assurance Maladie





FINANCIAL REPORT 2019



Assurances
Versicherungen
Assicurazioni

Insured. Right now.

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Groupe Mutuel Holding SA

Excellent financial health, a payment of CHF 100 million to policyholders and historically low premiums for 75% of our insured persons.

In 2019, economic growth in Switzerland reached 0.9% according to SECO's first provisional figures. The gross domestic product (GDP) was impacted by a slowdown in the Swiss economy.

Some areas of the national economy were very sensitive to the international economic slowdown, while others showed remarkable resilience. For example, the machinery and metals sector experienced a further decline in exports.

In contrast, the pharmaceuticals sector reported a renewed dynamic growth. While the domestic economy is showing little sign of a further deterioration, it does not give cause for optimism either since the private sector made only a very moderate contribution to growth.

The impact of COVID-19

Growth will inevitably be impacted by the COVID-19 crisis. Even though it is impossible to predict the human and financial consequences, this global pandemic is affecting all of us.

Nevertheless, according to the first estimates of the Swiss Insurance Association (ASA/SVV), the Swiss insurance industry reported an excellent year in 2019. The premium volume for personal insurance rose by 2.7%. This is partly due to an increase in demand for supplemental health insurance and supplemental accident insurance. In this area as well, the outlook for 2020 will depend on the COVID-19 crisis.

CHF 100 million redistributed to our policyholders

In this fragile economic context, Groupe Mutuel, in its new holding company form, was nevertheless able to increase its financial strength and is pleased to report an excellent financial year 2019.

The consolidated income 2019 of Groupe Mutuel Holding SA reached CHF 485 million with a turnover of CHF 5.4 billion (CHF 308 million with a turnover of CHF 5.6 billion in 2018). This result made it possible to strengthen equity, which amounted therefore to more than CHF 2.6 billion at the end of 2019, representing 40.6% of the balance sheet total.

Thanks to its excellent financial health, Groupe Mutuel is able to submit for approval by the Federal Office of Public Health (FOPH) a payment of CHF 100 million to its policyholders in 2020, by way of compensation and based on the 2019 results. The trend in health costs has been more positive in recent years than expected. This good news should be beneficial to our policyholders in two ways:

- **We have given priority to reducing premiums. At Groupe Mutuel, premiums dropped by an average of 1.6% for 2020. Groupe Mutuel is the insurer that reduced its premiums the most last year.**
- **We have decided to redistribute CHF 100 million to our policyholders since our financial results for 2019 are solid.**

Our reserves must comply with legal requirements and be able to cover our financial commitments under any circumstances. It is with these reserves that we are able to withstand a pandemic such as COVID-19.

However, there is no reason to have excessively high reserves. We consider that any overpaid premiums must benefit our policyholders and families whose financial burden increases every year. Therefore, it is our duty to repay our policyholders and not to accumulate excessive reserves.

100 mio

CHF 100 MILLION REDISTRIBUTED TO
POLICYHOLDERS IN 2020, BASED ON
THE 2019 RESULTS

1,329,402

NUMBER OF PRIVATE CUSTOMERS

485

CONSOLIDATED INCOME IN CHF MILLION

24,000

INSURED COMPANIES

Slight increase in the total number of customers

Groupe Mutuel's focus on the quality of advice and services as well as the measures taken throughout the 2019 financial year have not yet had a positive impact on the number of private customers, since the competitive pressure due to the 2019 compulsory health insurance premiums was such that a number of customers chose to leave Groupe Mutuel. However, the number of private customers, all sectors of activity combined, increased slightly to 1,329,402 insured persons, which represented a slight gain compared to 2018.

More specifically, we have lost approximately 10,000 policyholders in compulsory health insurance (AOS/OKP), which amounts to less than 1%. However, we have acquired around 15,000 new policyholders in supplemental insurance. Therefore, 2019 was a stable and satisfactory year.

Over 1.3 million private customers have placed their trust in Groupe Mutuel, which continues to make it one of the leading health insurance companies in Switzerland. It is even the largest insurer with headquarters in French-speaking Switzerland.

Excellent results for financial investments

The positive situation on the financial markets, despite the consistently low level of interest rates, had an impact on the performance of our capital investments, generating a net positive result of CHF 265 million (performance of 8.7%), a gain which is mostly due to private insurance. This situation allowed Groupe Mutuel Holding SA to achieve an excellent consolidated result of CHF 485 million.

Our Corporate insurance sector continued to grow since we acquired around 1,000 new companies (24,000). Once again, this sector reported a strong increase in turnover, up by CHF 60 million to CHF 528 million in 2019.

The Life and Patrimony sectors remained stable despite a difficult economic situation.

The Health sector experienced a contraction in the amount of premiums, but still accounted for the largest portion of turnover. Sectors other than Health continued to make progress within Groupe Mutuel, which goes to show that the diversification strategy initiated several years ago is successful.

Groupe Mutuel Prévoyance also showed excellent results, with 2,800 clients and over CHF 2 billion in assets under management.

Health

Strengthening the sector and containing costs

The turnover in the Health sector increased to CHF 5.34 billion. This result contributed significantly to the excellent performance of Groupe Mutuel Holding SA and serves to increase the sector's reserves.

460 mio

OVERALL RESULT FOR THE HEALTH SECTOR



STRENGTHENED
EQUITY

4.1%

LOW ADMINISTRATION COSTS
AMOUNTING TO 4.1% OF PREMIUMS

-10.3%

INVOICE VERIFICATION
REDUCED EXPENSES BY 10.3%

Slowdown in the increase in health costs and an average decrease of 1.6% in premiums

In 2017 and 2018, health costs in Switzerland for all health insurers increased less significantly. The trend was much lower than the 4 to 5% average since the introduction of compulsory health insurance in 1996. The net cost trend per insured person in Switzerland was 2.3% between 2016 and 2017 and 0.3% between 2017 and 2018. The increase was significantly less than in previous years, but this respite for premium payers may come to an end if efficient cost-containment measures are not taken. The forecasts of santésuisse for 2019 and 2020 show that a further increase is likely to occur once again.

The level of our 2020 premiums therefore comes as good news since, for the first time, we were able to offer an average reduction of 1.6%. Groupe Mutuel is the health insurer that reduced its premiums the most in 2019 for 2020. The efforts made to contain rising costs must continue at all levels, or else premiums will increase once again.

Levelling of turnover under LAMal/KVG

The gross premium volume for compulsory health insurance (LAMal/KVG) levelled at CHF 4.275 billion. On the other hand, insurance benefits amounted to CHF 3.943 billion and the insurance underwriting result reached CHF 262 million. After taking into account the result of capital investments, the positive surplus for LAMal/KVG insurance amounted to CHF 335 million.

Number of persons insured under basic insurance (AOS/OKP)

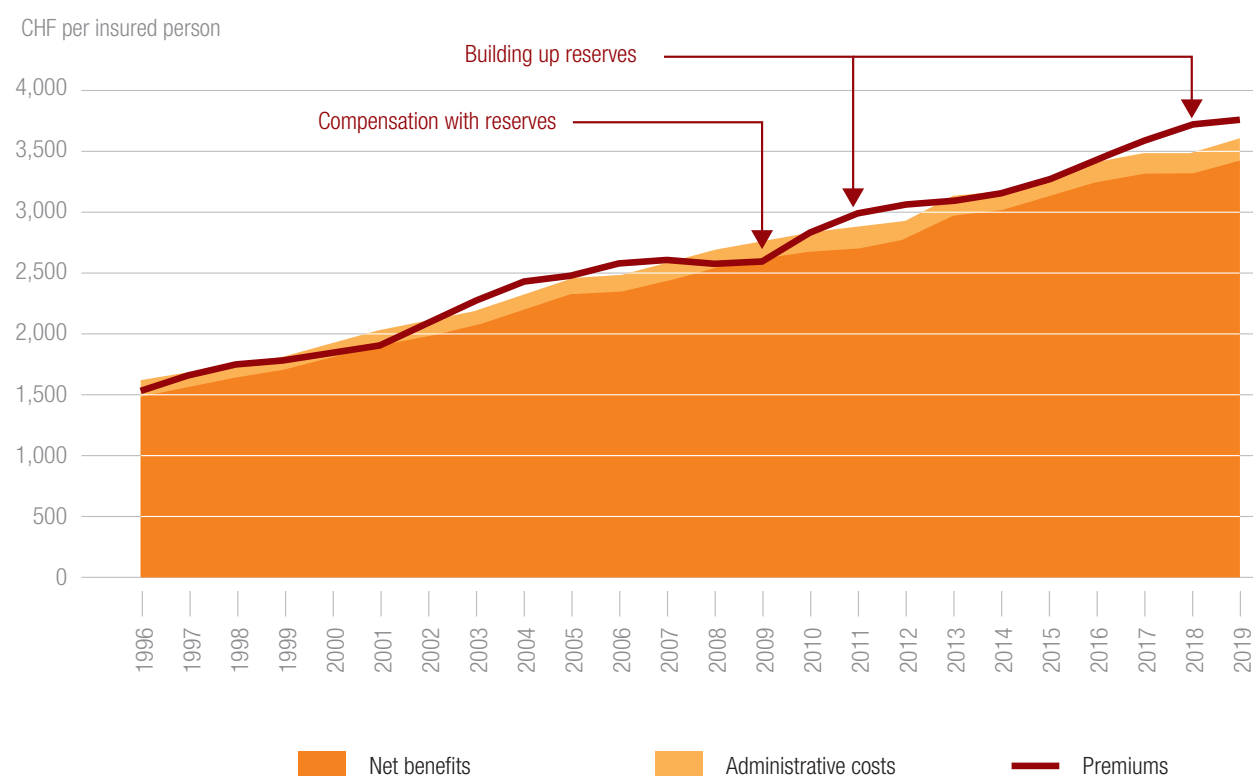
The number of persons insured with basic insurance was 970,000 as at 31 December 2019.

Private supplemental insurance (LCA/VVG)

The private supplemental insurance products offered by two private insurance companies, Groupe Mutuel Assurances GMA SA and Mutuel Assurances SA, ended the 2019 financial year with a positive result of CHF 124 million, which was largely due to exceptional capital investment performance.

Health cost trends from 1996 to 2020

The increase in health costs was lower in 2017 and 2018, but this is only a short-term respite for premium payers. Without a major turnaround, a further increase in costs is likely to occur.



SASIS data source - FOHP data pool - Statistics of the compulsory health insurance

In 2018, the rise in health costs for compulsory health insurance (AOS/OKP) was much lower than in previous years.

However, the current trend in costs and santésuisse's forecasts suggest that this respite may already have come to an end. For 2019 and 2020, santésuisse is expecting an increase of around 3%, which does not take into

account the additional claims that could cause costs to rise even further. It is now time to consider implementing the cost-effective measures that have been discussed for years, for the benefit of premium payers.

Cost increases of over 5% in several areas of activity over the next two years



According to santésuisse, an above-average increase is likely to occur in several areas. With regard to physiotherapy, santésuisse expects an unchanged increase of 6% due to the growing number of practitioners and treatments. Another expected increase (6%) is for home help and home care organisations due to the transfer of minor cases from EMS care homes to these organisations. With regard to laboratories, the trend is also worrying. Since more and more tests are carried out, santésuisse expects laboratory costs to rise by 5%.

The outpatient hospital sector is likely to see a further increase after costs fell for the first time in ten years last year thanks to the measures taken by the Swiss Federal Council. These estimates are likely to be adjusted following the occurrence of COVID-19.

This means that costs in this sector are expected to surge by 5% for this year and next year. The costs of drugs are also likely to rise by more than 3% over the next two years.

Improved coordination between cantons



Misguided financial incentives in the healthcare system have a major impact on rising costs. The fee-for-service rate in outpatient treatment, in particular, lead service providers to constantly expand their range of services, thereby boosting demand. These misguided initiatives could be removed by applying flat rates, as is already the case in the inpatient sector.

Cantons should also be required to coordinate supply amongst themselves for doctor admissions and to step in where necessary. Efficient measures in terms of quality are essential to contain the current trend.

Improved coordination between the cantons would be particularly relevant in hospital inpatient care. All too often, the necessary structural corrections are hampered by self-interest.

Reserves are a guarantee of stability and solvency



The reserves held by a health insurer guarantee its long-term solvency even in the event of unforeseen circumstances, such as the COVID-19 pandemic.

The lower-than-expected increase in the costs of benefits over the past two years has allowed most insurers to use excess income to build up their reserves. Some insurers, such as Groupe Mutuel, even intend to use the leeway allowed by law to make repayments to their policyholders. Therefore, an amount of CHF 100 million will be redistributed to our policyholders in 2020, subject to the approval of the FOPH.

Life

Business opportunities and sustainable development

In 2019, Groupe Mutuel Vie GMV SA's level of business activity was slightly lower than in previous years. This is due in particular to an environment of low interest rates, which continues to have a steady impact on business activities. Yet, Groupe Mutuel Vie GMV SA firmly believes that sustainable business development is more important than growth

at all costs. Consequently, the quality requirements set for the underwriting of new business have made it possible to consolidate the portfolio. Gross premium income amounted to CHF 85.2 million (87.2 million in 2018). In 2019, the drivers for growth within Groupe Mutuel Vie GMV SA remained single-premium business. A quality customer-oriented approach,

with a focus on the needs of our policyholders and business partners, remains at the heart of our strategy.

Therefore, in 2019, growth was limited, since 1,916 new clients took out insurance in 2019 (compared to 2,263 in 2018), while the total number of policies under management was 39,578 as

at 31 December 2019 (against 40,094 at the previous year-end), or -1.3%.

The breakdown between types of pension provision is approximately two thirds (67.3%) for tied pension provision (3a pillar) and one third (32.7%) for flexible pension provision (3b pillar).

Innovation: SafeCapital is a major success

Launched in the spring of 2018, SafeCapital was very successful in 2019, with the number of policyholders rising from 1,723 on 31 December 2018 to 6,525 by 31 December 2019, which goes to show that there is real demand for this type of insurance. SafeCapital is a new and exclusive life insurance solution in Switzerland that offers insurance in the event of death by accident or following a sudden illness, for a very competitive premium. It is designed to ensure, in the event of such a setback, that a lump-sum amount is paid to the family or to persons designated by the policyholder.

85 mio

GROSS PREMIUM INCOME CONSOLIDATED
AT CHF 85 MILLION



FOCUS ON THE
QUALITY OF ADVICE

4,800

SUCCESS OF THE NEW INSURANCE SAFECAPITAL
+ 4,800 CLIENTS



CLOSE TO 40,000 CONTRACTS
UNDER MANAGEMENT

Patrimony

Consolidation of growth

In 2019, Patrimony insurance activities consolidated their growth, with a turnover of CHF 20.2 million (CHF 19.8 million in 2018) for legal protection coverage, private liability insurance and household contents insurance under LCA/VVG.

20 mio

CONSOLIDATED GROWTH
AT CHF 20.2 MILLION

FINMA authorisation for "Legis" legal protection coverage

The "Legis" range of legal protection insurance is a testimony to the success of Groupe Mutuel in the area of patrimony insurance. In order to foster future growth, Groupe Mutuel Assurances GMA SA has been authorised by the Swiss Financial Market Supervisory Authority (FINMA) to insure these insurance risks itself.



FINMA AUTHORISATION FOR
"LEGIS" LEGAL PROTECTION INSURANCE

An experienced partner to manage the claims under "Legis"

Furthermore, we entered into a services contract with Dextra Protection juridique SA for the management of claims under "Legis" insurance. Founded in 2012, this company has developed modern and innovative management processes that allow its employees, that is the experienced lawyers and legal experts who make up the claims team at Dextra, to provide our "Legis" insurance policyholders with flawless assistance in the event of a dispute, in the three national languages.



A RENOWNED PARTNER
FOR CLAIMS MANAGEMENT

Corporate

An unrivalled position in Switzerland

Accident insurance and loss of earnings insurance in the event of illness

In 2019, corporate insurance continued to grow steadily and 24,000 companies placed their trust in Groupe Mutuel, which is 1,000 more than in 2018. The overall turnover for loss of earnings' insurance in the event of illness (daily allowance benefits) and accident insurance increased by CHF 60 million to over CHF 528 million (+12%), compared to CHF 461.6 million in 2018.

Loss of earnings insurance in the event of illness continued to increase satisfactorily by 14% and reached a turnover of CHF 419 million (355.7 million in 2018). The volume of accident insurance premiums (LAA/UVG) increased to CHF 109 million (105.9 million in 2018).

Human dimensions to make services more accessible

At Groupe Mutuel, companies can find the full range of insurance for their employees under one roof. Our corporate culture allows us to respond quickly and pragmatically. In addition, the human dimension makes services more accessible and our managers and dedicated partners are perfectly attentive to a company's needs. The strong growth in the number of corporate clients over the past years reflects the trust placed in the quality of our services, which is one of our main objectives.

Win-win situations in terms of corporate health

As significant added-value, our different specialists for the management of cases of incapacity for work, absences and corporate health, who represent over 150 employees, are at the disposal of companies to ensure that all parties involved (employee, employer, insurer) are able to benefit from win-win situations. Our CorporateCare concept provides the framework and toolbox to ensure that all corporate health matters are managed in the best possible way. This is the context in which we intend to innovate by strengthening and expanding our services in the coming years as a partner of our corporate clients.

+12%

CONTINUED GROWTH IN 2019 (+12%)

528 mio

OVER CHF 528 MILLION
IN TERMS OF OVERALL TURNOVER



SUPPORT TO ENSURE EFFICIENCY AND HEALTH IN
THE WORKPLACE (CORPORATECARE)



CORPORATE EXTRANET (XNET) TO MANAGE
DAY-TO-DAY TASKS AND FOCUS ON THE BASICS



Consolidated income statement

In CHF thousands

	Notes	2019	2018
Insurance income	1	5,420,102	5,618,543
Net cost of claims and benefits	2	-4,861,067	-4,732,594
Policyholder participation		-17,759	-14,115
Risk adjustment between insurers		131,323	-55,616
Net operating expenses	3	-420,270	-353,760
Other insurance expenses		-22,645	-21,523
Insurance expenses		-5,190,419	-5,177,608
Underwriting result		229,684	440,935
Investment income	4	378,941	94,826
Investment expenses	5	-60,163	-207,752
Change in provision for investment risk		-45,309	-1,721
Earnings from unit-linked life insurance investments	6	15,198	-8,778
Earnings from investments		288,667	-123,425
Other operating income	7	11,902	11,387
Other operating expenses	7	-11,569	-11,937
Other financial income		2,691	277
Other financial expenses		-3,769	-948
Operating earnings		517,605	316,290
Consolidated earnings before taxes		517,605	316,290
Deferred income taxes		-7,558	3,520
Current income taxes		-24,866	-11,414
Consolidated earnings		485,181	308,395

Consolidated balance sheet

In CHF thousands

	Notes	2019	2018
Assets			
Investments	8	4,328,857	3,925,337
Unit-linked life insurance investments	8	157,533	139,404
Intangible assets	9	3,924	3,286
Property, plant and equipment	10	8,520	7,414
Financial assets	11	805	825
Deferred policy acquisition costs not yet amortised		57,316	60,684
Deferred charges	12	324,387	189,077
Receivables	13	552,256	572,471
Cash and cash equivalents		934,474	771,870
Total assets		6,368,071	5,670,368
Liabilities and equity			
Organisation capital		100	100
Retained earnings		2,144,086	1,835,690
Consolidated earnings		485,181	308,395
Equity		2,629,366	2,144,186
Net technical provisions	14	2,524,520	2,432,304
Unit-linked life insurance technical provisions	14	200,796	182,341
Non-technical provisions	15	27,926	11,291
Provision for investment risk	16	376,610	331,301
Deferred credits	17	61,186	73,058
Deferred income tax liabilities		17,298	9,740
Liabilities	18	530,367	486,148
Liabilities		3,738,705	3,526,183
Total liabilities and equity		6,368,071	5,670,368

Consolidated cash flow statement

In CHF thousands

	2019
Consolidated earnings	485,181
Gains and losses resulting from investments	-7,621
Gains and losses not resulting from investments	-254,971
Gains and losses resulting from unit-linked life insurance investments	-2,440
Gains and losses not resulting from unit-linked life insurance investments	-12,004
Write-downs/write-ups on intangible assets	4,791
Write-downs/write-ups on property, plant and equipment	6,124
Write-downs/write-ups on financial fixed assets	-27
Write-downs/write-ups on receivables	5,121
Change in net technical provisions	92,216
Change in unit-linked life insurance technical provisions	18,455
Change in non-technical provisions	16,636
Change in provision for investment risk	45,309
Change in deferred policy acquisition costs not yet amortised	3,368
Change in deferred charges	-135,310
Change in receivables	15,094
Change in deferred credits	-11,871
Change in deferred income tax credits	7,558
Change in liability accounts	44,220
Cash flow from operating activities	-165,352
Net investments in investments	-140,928
Net investments in unit-linked life insurance investments	-3,685
Net investments in intangible assets	-5,429
Net investments in property, plant and equipment	-7,230
Net investments in financial fixed assets	47
Cash flow from investment activities	-157,225
Cash flow from financing activities	-
Total net cash flow	162,604
Cash and cash equivalents amount as at 01.01	771,870
Cash and cash equivalents amount as at 31.12	934,474
Net change in cash and cash equivalents	162,604

Consolidated statement of changes in equity

In CHF thousands

	Organisation capital	Legal reserves resulting from capital	Retained earnings	Consolidated earnings	Total
Equity base as at 31.12.2018 CO	100	-	1,769,083	313,190	2,082,373
Valuation adjustment related to the first application of the Swiss GAAP FER*	-	-	66,607	-4,795	61,813
Equity base as at 31.12.2018 Swiss GAAP FER	100	-	1,835,690	308,395	2,144,186
Appropriation of earnings 2018	-	-	308,395	-308,395	-
Annual earnings 2019	-	-	-	485,181	485,181
Equity as at 31.12.2019	100	-	2,144,086	485,181	2,629,366

* Valuation adjustments apply to:
- Bonds valued at amortised cost in the statutory accounts of the LCA/WVG and Life entities and at market value in the consolidated statements.
- The recalculation of provision for investment risk according to consolidated accounting principles.
- Buildings valued at their acquisition value less accumulated depreciation and impairment losses in the statutory accounts and at market value in the consolidated statements.

Organisation capital

The share capital of Groupe Mutuel Holding SA is represented by 100 shares with a nominal value of CHF 1,000 each with a restriction on the transfer of shares according to the statutes.

Retained earnings

The LAMal/KVG share of reserves from consolidated earnings as at 31.12.2019 amounted to KCHF 793,817 (2018: KCHF 462,241).

Notes to the consolidated financial statements

In CHF thousands

CONSOLIDATED INCOME STATEMENTS PER BUSINESS SEGMENT

	LAMal/KVG insurance		LCA/VVG and LAA/UVG insurance	
	2019	2018	2019	2018
Insurance income	4,275,192	4,532,712	1,065,529	1,004,956
Net cost of claims and benefits	-3,943,087	-3,922,589	-815,095	-746,310
Policyholder participation	-736	-2,527	-17,023	-11,911
Risk adjustment between insurers	131,323	-55,616	-	-
Net operating expenses	-184,805	-186,373	-232,237	-163,032
Other insurance expenses	-15,261	-15,732	-11,487	-10,132
Insurance expenses	-4,012,567	-4,182,837	-1,075,843	-931,385
Underwriting result	262,625	349,875	-10,314	73,571
Investment income	105,409	32,105	208,612	47,830
Investment expenses	-17,104	-56,581	-30,642	-107,784
Change in provision for investment risk	-13,036	6,450	-19,499	-21,211
Earnings from unit-linked life insurance investments	-	-	-	-
Earnings from investments	75,270	-18,027	158,471	-81,164
Other operating income	-	-	-	-
Other operating expenses	-	-	-	-
Other financial income	1	-	5,131	5,646
Other financial expenses	-2,135	-398	-6,461	-5,255
Operating earnings	335,761	331,450	146,826	-7,202
Consolidated earnings before taxes	335,761	331,450	146,826	-7,202
Deferred income taxes	-	-	-	-
Current income taxes	-	-	-22,537	-11,205
Consolidated earnings	335,761	331,450	124,289	-18,407

In CHF thousands

Life insurance		Other activities		Eliminations		Total	
2019	2018	2019	2018	2019	2018	2019	2018
83,428	85,154	-	-	-4,046	-4,279	5,420,102	5,618,543
-102,884	-63,372	-	-	-	-323	-4,861,067	-4,732,594
-	-	-	-	-	323	-17,759	-14,115
-	-	-	-	-	-	131,323	-55,616
-14,189	-13,060	-	-	10,961	8,705	-420,270	-353,760
-	-	-	-	4,103	4,340	-22,645	-21,523
-117,073	-76,432	-	-	15,064	13,046	-5,190,419	-5,177,608
-33,644	8,722	-	-	11,017	8,767	229,684	440,935
28,813	11,002	21,948	46,226	14,159	-42,336	378,941	94,826
-4,028	-13,133	-5,787	-5,662	-2,601	-24,592	-60,163	-207,752
-2,450	2,850	-	-	9,044	10,190	-45,309	-1,721
15,198	-8,778	-	-	-	-	15,198	-8,778
37,533	-8,059	16,160	40,563	1,233	-56,739	288,667	-123,425
-	-	11,902	11,387	-	-	11,902	11,387
-	-	-11,569	-11,937	-	-	-11,569	-11,937
						-	
348	970	29	20	-2,819	-6,359	2,691	277
-1,326	-1,270	-100	-63	6,252	6,038	-3,769	-948
2,911	364	16,422	39,971	15,684	-48,293	517,605	316,290
2,911	364	16,422	39,971	15,684	-48,293	517,605	316,290
-	-	-	-	-7,558	3,520	-7,558	3,520
-743	-299	-1,117	-711	-468	800	-24,866	-11,414
2,168	65	15,305	39,261	7,658	-43,973	485,181	308,395

Notes to the consolidated financial statements

Accounting principles

ACCOUNTING STANDARDS

The consolidated financial statements are presented in accordance with the Swiss GAAP FER accounting and reporting recommendations and comply with all of these standards. The consolidated financial statements provide a true and fair view of Groupe Mutuel’s assets, finances and earnings.

Swiss GAAP FER 41 entered into force on 1 January 2012 for the statutory annual accounts of health insurers. Groupe Mutuel has applied this standard in relation to Swiss GAAP FER 30 for the preparation of its consolidated financial statements since financial year 2018. The application of Swiss GAAP FER is on a voluntary basis.

FIRST APPLICATION OF THE SWISS GAAP FER STANDARDS

Due to the creation of Groupe Mutuel Holding SA in the course of financial year 2018, Groupe Mutuel prepared consolidated financial statements in accordance with Swiss GAAP FER for the first time based on the figures as at 31.12.2018. Consequently, no cash flow statement is presented for the comparative year.

ROUNDING DIFFERENCES

The amounts in the consolidated financial statements are rounded to thousand Swiss francs. This means that the sum of several rounded amounts added together can differ from the rounded total that is reported.

Consolidation principles

CONSOLIDATED COMPANIES

All companies directly or indirectly controlled by Groupe Mutuel Holding SA are included in the consolidated financial statements of Groupe Mutuel. Control means that it is possible to exert decisive influence on the commercial, financial and operational activities in order to derive the corresponding benefit therefrom. This is usually the case if Groupe Mutuel directly or indirectly holds at least 50% of the voting rights in a company. Companies acquired are included in the Group financial statements from the date on which the control of Groupe Mutuel's business activities was transferred. All companies disposed of are excluded from the statements from the date of sale. The consolidated companies are presented in the notes to the financial statements.

CONSOLIDATION METHOD

Full consolidation, used as soon as the Group exercises control over the investment, is based on the principle of taking into account assets, liabilities, expenses and income as a whole. Capital is consolidated using the acquisition method. The net assets of acquired companies are revalued at their current value at the time of acquisition in accordance with the principles of the Group. The difference between the purchase price and the revalued net assets is offset by the consolidated equity base.

REPORTING DATE

The reporting date for all companies included is 31 December.

INTRAGROUP RELATIONSHIPS

Relationships and transactions between the companies of the Group are cancelled through offsetting or elimination.

Valuation principles

VALUATION PRINCIPLES

The valuation of assets and liabilities is carried out in a uniform manner in each of the balance sheet items. The principle of the individual valuation applies.

CHANGE IN VALUATION CRITERIA

Following the significant fluctuation in the level of market volatility, and in order to maintain an adequate level of securities reserves, the probability of occurrence of the “Risk Adjusted Capital” formula was increased from 99.75% in 2018 to 99.85% in 2019.

Since the financial year 2019, the value of land and buildings is calculated using an external database based on similar market transactions. As at 31 December 2018, the analysis was carried out using a weighted average between the performance value taken twice and the historical value.

CURRENCY CONVERSION

The consolidated financial statements are prepared in Swiss Francs. Foreign currency positions are converted using the closing rate method. Transactions in foreign currencies are converted at the exchange rate prevailing on the transaction date.

INVESTMENTS

Land and buildings are individually valued at market value. The analysis is carried out annually using an external database based on similar market transactions. Buildings are also subject to periodic expert appraisals by a specialist (three to five year cycle), which serve as maximum values.

Buildings under construction are also presented in the investments and valued at their acquisition cost during the construction period.

Bonds and other fixed-income securities are valued at market value. Changes in value are recorded as unrealised gains/losses in the income statement. Accrued interest is presented in the deferred charges.

Shares are valued at their market value, in other words at the values quoted on the stock exchange at the reporting date. Changes in value are recorded as unrealised gains/losses in the income statement.

Cash and cash equivalents allocated to investments are presented in the balance sheet in accordance with balance notices or account statements in financial investments, insofar as they are not required for operating purposes.

Collective investment schemes, structured products, future contracts and fixed-term deposits are measured according to the values quoted on the stock exchange at the reporting date. Changes in value are recorded as unrealised gains/losses in the income statement.

Alternative investments are measured according to the latest available net asset values. Changes in value are recorded as unrealised gains/losses in the income statement.

Currency futures are measured at market value. These are used to cover the currency risk of bonds and other fixed-income securities.

Investments in other companies are measured according to the cost of investments, excluding any acquisition costs, less value adjustments charged to the income statement.

Loans, mortgages and policy loans are valued at nominal value less any value adjustments. Policy loans are limited to their cash value.

Employer contribution reserves are acknowledged in the balance sheet at their nominal value. The value is reviewed annually and, if necessary, the item is corrected.

Valuation principles (continued)

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets and property, plant and equipment are measured at their acquisition value, less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis and during the expected lifetime:

- five years for fixtures;
- three to five years for fittings;
- three years for IT hardware and software;
- three years for vehicles.

The value of intangible assets and property, plant and equipment is reviewed whenever there is an indication that their recoverable amount may be less than their accounting value.

FINANCIAL FIXED ASSETS

The balance sheet value of financial fixed assets consists of the costs of investments, excluding any acquisition costs, less value adjustments charged to the income statement.

DEFERRED POLICY ACQUISITION COSTS NOT YET AMORTISED

The possibility of activating acquisition costs within the meaning of Article 65(2) of the Ordinance on the Supervision of Private Insurance Undertakings applies only to life insurance. The maximum rate for activating acquisition costs must not exceed the corresponding rate for the deduction when calculating the surrender value.

DEFERRED CHARGES

Deferred charges included prepaid expenses charged to the new financial year as well as income relating to the current financial year, which will only be received later.

RECEIVABLES

Receivables are valued at nominal value, less any value adjustments. Provisions for receivables are calculated individually on different types of debtors in order to cover risks of cash receipt losses.

CASH AND CASH EQUIVALENTS

This item includes operating cash and cash equivalents, which are valued at nominal value.

NET TECHNICAL PROVISIONS

The item for net technical provisions includes provisions for claims and benefits, premium deferrals, actuarial reserves, provisions for future policyholder participation to profits, equalisation reserves as well as other technical provisions. They are included as defined in the balance sheets of the various companies of the Group and are prepared in accordance with the actuarial methods recommended by the supervisory authorities.

Provision for claims and benefits are calculated according to actuarial methods recognised by the supervisory authorities, e.g. the chain ladder method.

Premium deferrals are calculated individually for each guarantee constituting a contract according to the pro rata temporis method.

The reserves for annuities are calculated according to the account principles pursuant to Art. 108 OLAA/UVV.

The mathematical reserves for life insurance are built up according to the technical operating plan and the initial tariff bases. No increase for possible deficiencies of the initial tariff bases is made.

Provisions for future policyholder participation in profit-sharing are built up to provide companies with the necessary funds to repay their share of the profit margin on their own contract at the end of the period for which the result is calculated.

The claims equalisation reserves cover the volatility of actuarial risks such as unexpected increases in claim rates, losses on the liquidation of claims or changes in the criteria used to calculate ageing reserves.

Ageing reserves are calculated in accordance to the prospective principle "the present value of future benefits less the present value of future premiums", according to the operating plan.

The reserves for repaying premiums were made following the decision taken by AMB Assurances SA, Avenir Assurance Maladie SA, Easy Sana Assurance Maladie SA, Mutuel Assurance Maladie SA, Philos Assurance Maladie SA and SUPRA-1846 SA to redistribute 2019 excess premiums in some cantons in 2020.

Other technical provisions include additional actuarial provisions that are measured according to the applicable and approved business plan.

NON-TECHNICAL PROVISIONS

Where, as a result of past events, a loss of advantages can be expected for future financial years, provisions charged to the profit and loss account are immediately made for the amount which will probably be necessary.

PROVISIONS FOR INVESTMENT RISK

Provisions for investment risk are recorded for specific market risks related to capital investments, in order to take into account fluctuations in current values. The method used to measure provisions is the "Risk Adjusted Capital". The provisioning rate is determined according to the expected return by integrating various risk factors (volatility of the strategy, expected performance of the strategy, degree of probability).

OTHER LONG-TERM LIABILITIES

Guarantees on accounts receivable are valued at nominal value and are credited with interest set annually according to market values.

DEFERRED CREDITS

Deferred charges include income received in advance and relating to the new financial year as well as expenses charged to the current financial year, which will only be paid later.

LIABILITIES

Liabilities to third parties are valued at nominal value.

TAXES

Current taxes are recorded in the same period as the income and expenses to which they relate. Deferred taxes are determined according to the rates specific to each entity and are calculated on the basis of timing differences between the tax values and accounting values of the assets and liabilities.

Notes to the consolidated financial statements

Consolidated companies

CONSOLIDATED INVESTMENTS USING THE FULL CONSOLIDATION METHOD

Company name and headquarters	Activity	Share capital (in CHF)
Groupe Mutuel Holding SA, Martigny	Holding	100,000
Groupe Mutuel Services SA, Martigny	Services company	100,000
ASMA CONSEIL SA, Martigny	Services company	100,000
Groupe Mutuel Assurances GMA SA, Martigny	LCA/VVG and LAA/UVG insurance	8,000,000
Mutuel Assurances SA, Martigny	LCA/VVG and LAA/UVG insurance	8,000,000
Groupe Mutuel Vie GMV SA, Martigny	Life insurance	25,000,000
Avenir Assurance Maladie SA, Martigny	LAMal/KVG insurance	100,000
Easy Sana Assurance Maladie SA, Martigny	LAMal/KVG insurance	100,000
Mutuel Assurance Maladie SA, Martigny	LAMal/KVG insurance	100,000
Philos Assurance Maladie SA, Martigny	LAMal/KVG insurance	100,000
AMB Assurances SA, Bagnes	LAMal/KVG insurance	100,000
SUPRA-1846 SA, Lausanne	LAMal/KVG insurance	100,000
Mutuelle Neuchâteloise Assurance Maladie, Neuchâtel	LAMal/KVG insurance	N/A**

* ASMA CONSEIL SA is fully owned by Groupe Mutuel Services SA.
** Mutuelle Neuchâteloise Assurance Maladie is a foundation within the meaning of Articles 80 et seq. of the Swiss Civil Code.

NON-CONSOLIDATED INVESTMENTS

Company name and headquarters	Activity	Share capital (in CHF)
La Générale de Participations (LGP) SA in liquidation, Martigny	Financial company	100,000

This company, which was fully owned by ASMA CONSEIL SA, was removed from the commercial register on 3 October 2019.
In 2018, the above entity was not consolidated due to its insignificant nature and its non-strategic activity for the Group.

Share in the capital (in %)	Voting share (in %)	Direct ownership (in %)	Indirect ownership (in %)
100	100	100	0
100	100	100	0
100	100	0	100*
100	100	100	0
100	100	100	0
100	100	100	0
100	100	100	0
100	100	100	0
100	100	100	0
100	100	100	0
100	100	100	0
N/A	60	N/A	N/A

Notes to the income statements

In CHF thousands

1. INSURANCE INCOME	2019	2018
Premium income	5,413,514	5,615,808
Premiums ceded to reinsurers	-5,972	-5,851
Variation of premium deferrals	191	96
Premiums acquired for own account	5,407,733	5,610,053
Other insurance revenue	12,369	8,491
Total	5,420,102	5,618,543

2. NET COST OF CLAIMS AND BENEFITS	2019	2018
Costs of claims and benefits	-5,357,498	-5,302,248
Co-payment	605,641	628,593
Reinsurers' share in the provision of claims	1,653	764
Variation of technical provisions	-93,273	-57,208
Variation of technical provisions – Reinsurers' share	912	-695
Variation of unit-linked life insurance technical provisions	-18,567	-1,757
Variation of unit-linked life insurance technical provisions – Reinsurers' share	66	-42
Total	-4,861,067	-4,732,594

3. NET OPERATING EXPENSES	2019	2018
Staff expenses	-242,869	-236,747
Administrative premises and operating equipment	-4,091	-5,554
IT costs	-32,211	-25,537
Invoiced litigation expenses	52,165	49,794
Other administrative expenses	-47,138	-44,246
Marketing, advertising and commissions	-136,079	-81,858
Amortisation	-10,567	-9,985
Participation in reinsurance surpluses	520	373
Total	-420,270	-353,760

In CHF thousands

4. INVESTMENT INCOME				
2018	Ordinary earnings	Realised gains	Unrealised gains	Total
Land and buildings	5,931	-	426	6,356
Bonds and other fixed-income securities	26,210	193	2,004	28,408
Shares	21,539	4,573	11,617	37,729
Cash and cash equivalents allocated to investments	108	6,684	57	6,849
Other investments	8,994	2,747	3,743	15,484
Total	62,782	14,198	17,846	94,826

2019	Ordinary earnings	Realised gains	Unrealised gains	Total
Land and buildings	6,316	-	11,151	17,468
Bonds and other fixed-income securities	23,945	2,004	48,019	73,968
Shares	22,798	10,772	140,891	174,461
Cash and cash equivalents allocated to investments	87	2,847	57	2,991
Other investments	10,573	7,845	91,635	110,053
Total	63,719	23,468	291,753	378,941

5. INVESTMENT EXPENSES				
2018	Investment expenses	Realised losses	Unrealised losses	Total
Land and buildings	-2,819	-	-7,585	-10,405
Bonds and other fixed-income securities	-164	-1,157	-35,818	-37,139
Shares	-1,243	-2,997	-88,683	-92,923
Cash and cash equivalents allocated to investments	-2,985	-1,453	-158	-4,596
Other investments	-476	-6,986	-55,228	-62,690
Total	-7,687	-12,593	-187,472	-207,752

2019	Investment expenses	Realised losses	Unrealised losses	Total
Land and buildings	-2,397	-	-13,194	-15,591
Bonds and other fixed-income securities	-230	-1,016	-6,354	-7,600
Shares	-1,241	-6,776	-11,911	-19,928
Cash and cash equivalents allocated to investments	-3,126	-4,618	-210	-7,954
Other investments	-539	-3,438	-5,113	-9,089
Total	-7,533	-15,848	-56,151	-79,532

Notes to the income statements

In CHF thousands

6. EARNINGS FROM UNIT-LINKED LIFE INSURANCE INVESTMENTS

2018	Ordinary earnings	Realised gains	Unrealised gains	Total
Equity funds	103	-	-	103
Bond funds	-	-	-	-
Other earnings from unit-linked life insurance investments	698	-	-	698
Total	801	-	-	801

2018	Investment expenses	Realised losses	Unrealised losses	Total
Equity funds	-	-7,813	-	-7,813
Bond funds	-7	-1,688	-24	-1,719
Other earnings from unit-linked life insurance investments	-47	-	-	-47
Total	-53	-9,501	-24	-9,579

Earnings from unit-linked life insurance investments	-8,778
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2019	Ordinary earnings	Realised gains	Unrealised gains	Total
Equity funds	74	2,438	10,926	13,438
Bond funds	-	2	1,078	1,080
Other earnings from unit-linked life insurance investments	734	-	-	734
Total	808	2,440	12,004	15,252

2019	Investment expenses	Realised losses	Unrealised losses	Total
Equity funds	-1	-	-	-1
Bond funds	-3	-	-	-3
Other earnings from unit-linked life insurance investments	-50	-	-	-50
Total	-54	-	-	-54

Earnings from unit-linked life insurance investments	15,198
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7. OTHER INCOME AND OTHER OPERATING EXPENSES

Other operating results mainly come from own expenses and income from administrative work invoiced to partner companies such as Groupe Mutuel Prévoyance-GMP and Caisse-maladie de la vallée d'Entremont société coopérative.

8. INVESTMENTS	31.12.2019	31.12.2018
Land and buildings	361,989	341,068
Bonds and other fixed-income securities	1,972,987	1,875,815
Shares	735,699	598,459
Financial derivatives - commitments	-74,077	-
Shares	661,623	598,459
Cash and cash equivalents allocated to investments	224,372	260,290
Cash and cash equivalents to hedge future contracts	73,853	-
Cash and cash equivalents allocated to investments	298,225	260,290
Collective investment schemes	805,783	649,103
Structured products	114,088	97,958
Alternative investments	25,991	18,942
Currency futures	1,144	1,253
Loans	36,200	29,000
Term deposits	48,500	48,325
Mortgages	393	3,043
Policy loans	1,097	1,245
Employer contribution reserves	837	837
Other investments	1,034,033	849,706
Total	4,328,857	3,925,337

Cash and cash equivalents to hedge future contracts: the amount open at 31.12.2019 relates to margin deposit accounts covering short sales of 221 S&P 500 Mini contracts due to expire on 20.03.2020 and short sales of 372 SMI contracts due to expire on 20.3.2020. The latter are presented along with the shares under "Financial derivatives - commitments".

Alternative investments: the companies of the Group have committed to subscribe USD 18.2 million and EUR 17.1 million to private equity funds and CHF 8 million and EUR 7.2 million to private debt funds. As at 31 December 2019, commitments were still open for USD 8.8 million and EUR 12.1 million for private equity and EUR 5.4 million for private debt (31.12.2018: USD 10.8 million for private equity and CHF 4.4 million for private debt).

8.1 OPEN DERIVATIVES

Market value as at 31.12.2018	Currencies	Assets	Liabilities and equity	Total
Forward transactions – hedging	EUR	119	-	119
Forward transactions – hedging	USD	1 134	-	1 134
Total		1 253	-	1 253

Market value as at 31.12.2019	Currencies	Assets	Liabilities and equity	Total
Forward transactions – hedging	EUR	130	-	130
Forward transactions – hedging	USD	1 014	-	1 014
Total		1 144	-	1 144

8.2 UNIT-LINKED LIFE INSURANCE INVESTMENTS	31.12.2019	31.12.2018
Equity funds	62,195	48,836
Bond funds	93,148	89,983
Other investments from unit-linked life insurance	2,190	586
Total	157,533	139,404

9. INTANGIBLE ASSETS

	IT software	Total
Net accounting value as at 01.01.2018	4,914	4,914

Historical cost

Carrying amount as at 01.01.2018	27,043	27,043
Additions	3,308	3,308
Disposals	-7,788	-7,788
Status as at 31.12.2018	22,562	22,562

Accumulated valuation adjustments

Carrying amount as at 01.01.2018	-22,129	-22,129
Amortisation	-4,936	-4,936
Disposals	7,788	7,788
Status as at 31.12.2018	-19,276	-19,276

Net accounting value as at 31.12.2018	3,286	3,286
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Historical cost

Carrying amount as at 01.01.2019	22,562	22,562
Additions	5,429	5,429
Disposals	-862	-862
Status as at 31.12.2019	27,130	27,130

Accumulated valuation adjustments

Carrying amount as at 01.01.2019	-19,276	-19,276
Amortisation	-4,791	-4,791
Disposals	862	862
Status as at 31.12.2019	-23,206	-23,206

Net accounting value as at 31.12.2019	3,924	3,924
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In CHF thousands

10. PROPERTY, PLANT AND EQUIPMENT

	Furniture, machinery and equipment	IT equipment	Vehicles	Total
Net accounting value as at 01.01.2018	1,865	2,661	545	5,071
Historical cost				
Carrying amount as at 01.01.2018	6,926	38,891	3,564	49,382
Additions	5,328	1,744	621	7,693
Disposals	-3,413	-17,483	-1,545	-22,441
Status as at 31.12.2018	8,841	23,153	2,640	34,634
Accumulated valuation adjustments				
Carrying amount as at 01.01.2018	-5,061	-36,231	-3,019	-44,311
Amortisation	-2,124	-2,715	-510	-5,350
Disposals	3,413	17,483	1,545	22,441
Status as at 31.12.2018	-3,773	-21,463	-1,984	-27,220
Net accounting value as at 31.12.2018	5,069	1,690	656	7,414

Historical cost

Carrying amount as at 01.01.2019	8,841	23,153	2,640	34,634
Additions	2,975	3,802	453	7,230
Disposals	-10	-132	-50	-192
Status as at 31.12.2019	11,806	26,822	3,043	41,671

Accumulated valuation adjustments

Carrying amount as at 01.01.2019	-3,773	-21,463	-1,984	-27,220
Amortisation	-2,700	-2,866	-559	-6,124
Disposals	10	132	50	192
Status as at 31.12.2019	-6,462	-24,197	-2,493	-33,152

Net accounting value as at 31.12.2019	5,344	2,626	550	8,520
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11. FINANCIAL FIXED ASSETS**31.12.2019** **31.12.2018**

Security deposits	661	551
Non-consolidated participations	-	116
Other financial fixed assets	143	158
Total	805	825

In CHF thousands

12. DEFERRED CHARGES**31.12.2019** **31.12.2018**

Accrued interest	10,289	11,714
Risk compensation to be received	220,792	134,414
Premiums to be invoiced	9,055	6,982
Prepaid commissions	60,277	21,020
Other accrued income	23,974	14,947
Total	324,387	189,077

13. RECEIVABLES**31.12.2019** **31.12.2018**

Policyholders	463,903	479,706
Insurance companies	3,454	2,900
Partners or related parties	276	1,275
Government offices	66,995	66,772
Withholding taxes	5,550	5,891
Other receivables	12,078	15,927
Total	552,256	572,471

14. NET TECHNICAL PROVISIONS

31.12.2018	Gross technical provisions	Reinsurers' share	Net technical provisions
Provision for claims and benefits	1,359,998	-6,555	1,353,443
Deferral of premiums	7,530	-	7,530
Mathematical reserves	442,550	-3,503	439,046
Provisions for future policyholder participation to profits	56,847	-	56,847
Claims equalisation reserve	273,804	-	273,804
Ageing reserves	98,958	-	98,958
Reserves for repaying premiums	-	-	-
Other technical provisions	202,675	-	202,675
Total	2,442,363	-10,058	2,432,304

31.12.2019	Gross technical provisions	Reinsurers' share	Net technical provisions
Provision for claims and benefits	1,279,153	-7,652	1,271,501
Deferral of premiums	7,384	-	7,384
Mathematical reserves	478,820	-3,318	475,501
Provisions for future policyholder participation to profits	73,865	-	73,865
Claims equalisation reserve	274,932	-	274,932
Ageing reserves	104,102	-	104,102
Reserves for repaying premiums	100,000	-	100,000
Other technical provisions	217,234	-	217,234
Total	2,535,490	-10,970	2,524,520

In CHF thousands

14.1 UNIT-LINKED LIFE INSURANCE TECHNICAL PROVISIONS

31.12.2018	Gross technical provisions	Reinsurers' share	Net technical provisions
Provision for claims and benefits	759	-26	733
Deferral of premiums	549	-	549
Mathematical reserves	137,728	-	137,728
Provisions for future policyholder participation to profits	157	-	157
Other technical provisions	43,174	-	43,174
Total	182,367	-26	182,341

31.12.2019	Gross technical provisions	Reinsurers' share	Net technical provisions
Provision for claims and benefits	440	-92	349
Deferral of premiums	503	-	503
Mathematical reserves	154,073	-	154,073
Provisions for future policyholder participation to profits	168	-	168
Other technical provisions	45,703	-	45,703
Total	200,888	-92	200,796

15. NON-TECHNICAL PROVISIONS

	Staff	Tax	Other	Total
Status as at 01.01.2018	7 156	9 184	2 410	18 750
Creation	1 604	1 042	-	2 646
Use	-800	-9 123	-91	-10 014
Releases	-	-72	-19	-91
Status as at 31.12.2018	7 960	1 031	2 300	11 291
	Staff	Tax	Other	Total
Status as at 01.01.2019	7 960	1 031	2 300	11 291
Creation	1 561	17 156	-	18 717
Use	-1 130	-525	-	-525
Releases	-	-427	-	-1 655
Status as at 31.12.2019	8 391	17 235	2 300	27 926

Staff: this provision takes into account overtime and holidays as at 31 December, as well as any other commitments to employees.
Other: provisions for ongoing disputes as well as provisions for losses on agents are presented in this category.

In CHF thousands

16. PROVISIONS FOR INVESTMENT RISK

	31.12.2019	31.12.2018
Status as at 01.01	331,301	329,580
Creation	45,309	1,721
Releases	-	-
Status as at 31.12	376,610	331,301

17. DEFERRED CREDITS

	31.12.2019	31.12.2018
Risk compensation to be paid	-	22,258
Other deferred income and accrued expenses	61,186	50,800
Total	61,186	73,058

18. LIABILITIES

	31.12.2019	31.12.2018
Policyholders	481,294	449,115
Insurance companies	7,375	7,205
Healthcare providers	6,483	3,808
Agents and brokers	26,031	17,410
Partners or related parties	40	157
Government offices	3,459	5,190
Other liabilities	5,686	3,264
Total	530,367	486,148

Other information

In CHF thousands

LIABILITIES TO PENSION FUNDS

Employer contribution reserve	Value as at 31.12.2019	Usage	Value as at 31.12.2018
Pension funds with funding surplus	837	-	837
Total	837	-	837

Economic usefulness as at 31.12.2018	Surplus (+) / deficiency (-) of funding	Economic interest of the employer	Pension expenses as part of staff expenses
Pension funds with funding surplus	- *	-	14,019
Total	-	-	14,019

The information is based on the annual financial statements as at 31.12.2018, in accordance with the Swiss GAAP FER 26 for the different pension funds.
* Groupe Mutuel's employees are affiliated to two jointly-owned foundations with coverage levels of 117.62% and 112.35% as at 31.12.2018.

Economic usefulness as at 31.12.2019	Surplus (+) / deficiency (-) of funding	Economic interest of the employer	Pension expenses as part of staff expenses
Pension funds with funding surplus	- *	-	15,433
Total	-	-	15,433

The information is based on the annual financial statements as at 31.12.2019, in accordance with the Swiss GAAP FER 26 for the different pension funds.
* Groupe Mutuel's employees are affiliated to one jointly-owned foundation with a coverage level of 115.17% as at 31.12.2019.

ASSETS PLEDGED OR ASSIGNED TO GUARANTEE OWN LIABILITIES AND ASSETS SUBJECT TO OWNERSHIP	31.12.2019	31.12.2018
In connection with rental guarantee accounts	704	594
In connection with bank guarantees	2,000	3,000
Total	2,704	3,594

Pledging agreements with banks cover forward currency transactions.

In CHF thousands

DEFERRED INCOME TAX RATE ON EARNINGS	2019	2018
Groupe Mutuel Holding SA	0.02%	0.02%
Groupe Mutuel Assurances GMA SA	18.71%	18.59%
Mutuel Assurances SA	18.73%	0.49%
Groupe Mutuel Vie GMV SA	17.20%	0.49%
Groupe Mutuel Services SA	20.94%	20.68%
ASMA CONSEIL SA	13.04%	13.04%

FEES OF THE EXTERNAL AUDITORS	2019	2018
Audit services	814	819
Other provision of services	414	159
Total	1,228	978

SIGNIFICANT RELATED COMPANIES	2019	2018
Groupe Mutuel Foundation		
Rental of premises by Groupe Mutuel Services SA	-	-826
Administrative management invoiced by Groupe Mutuel Services SA	28	27
Interest on loans granted to Groupe Mutuel Vie GMV SA	-	-96

CONTINGENT LIABILITIES
In the context of VAT group taxation, Groupe Mutuel Holding SA is jointly and severally liable for the debts of the Group companies to the Federal Tax Administration.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE
The sharp decline in the financial markets linked to the global COVID-19 pandemic does not call into question the solvency or financial situation of the Group's companies. This event has no impact on the value of assets and liabilities as at 31.12.2019.
Apart from the point mentioned above, no extraordinary events likely to have a material impact on the statement of assets, financial position and results of the past year have occurred since the date of the balance sheet.



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To the General Meeting of
Groupe Mutuel Holding SA, Martigny

Basle, 27 April 2020

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the financial statements of Groupe Mutuel Holding SA, which comprise the income statement, balance sheet, cash flow statement, statement of changes in equity and notes (pages 16 to 39), for the year ended 31 December 2019.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles as set out in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd



Blaise Wägli
(Qualified
Signature)

Licensed audit expert
(Auditor in charge)



Cyril Motte
(Qualified
Signature)

Licensed audit expert

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Foundations managed by Groupe Mutuel: Groupe Mutuel Prévoyance-GMP – Mutuelle Neuchâteloise Assurance Maladie

