

Activity Report

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Groupe Mutuel

Assurances
Versicherungen
Assicurazioni

Insured. Right now.



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Editorial

Towards a new era



The world has changed. You have changed. And so has Groupe Mutuel. Every day, through our actions, we try to demonstrate that we are at the service of our customers to make their life easier and to be fast, fair and efficient. This shared commitment to customer service has existed for many years. Our insured members were, are and will always be at the centre of our concerns.

We strive for excellent services, both internally and externally. To achieve this, we endeavour to process requests in the best possible way and as quickly as possible, while at the same time identifying our potential for improvement. This in order to draw the most effective lessons for the future of our relations with all our customers. This is the very least our insured members have the right to expect from us. To succeed in future, we must do more and have set out to do so.

In the 2017 financial year, we lost a number of insured persons in compulsory health insurance. These losses are real, but they do not, by far, give a comprehensive picture of Groupe Mutuel's overall health. Our financial strength was reinforced. We have made the necessary efforts to improve our reserves. Our other lines of business are flourishing.

Another major development required long preparatory work throughout the past year: the implementation of a new legal structure

in 2018, that will be simpler, more efficient and more transparent. This new organisation, based on a holding company controlled by a non-profit Foundation, will provide more clarity on company operations. It represents the final step in strengthening governance and compliance rules within Groupe Mutuel. It provides the company with a structure that will facilitate business diversification, including through participating in new business models.

Digitisation is a daily reality in an industry such as ours. In our minds, however, it is not a goal in itself. We have a single objective: to offer ever better services to those persons insured with Groupe Mutuel in order to make their life easier.

Innovation thus plays a very important role in the new approach we want to bring to Groupe Mutuel. This approach is organised along different lines that we are pleased to present in this report. The objective is clear. We wish to develop new markets but, above all, anticipate and imagine tomorrow's health insurance industry.

It is basically the beginning of a new era that will focus on consolidating and improving the quality of our services. Through our efforts, we naturally want to be in tune with the changes in the insurance world, but also, through our various projects, be at the forefront of progress to ensure the well-being of our customers.

Karin Perraudin
President

Paul Rabaglia
Chief Executive Officer

Key figures



Number of employees

2017	2016
2,243	2,122

Full-time equivalents

2017	2016
1,979	1,868



Agencies

2017	2016
34	34



Service centres

2017	2016
5	5

Health insurance	2017	2016
Number of AOS/OKP insured persons	1,233,013*	1,268,054*
Gross AOS/OKP premiums ¹ (in CHF thousands)	4,703,477	4,477,177
Gross LCA/VVG premiums ² (in CHF thousands)	647,480	616,824
Annual result (in CHF thousands)	179,016	-1,291
Total equity ratio	27,31%	25,93%

Life insurance - Groupe Mutuel Vie GMV SA	2017	2016
Balance sheet (in CHF thousands)	800,073	716,443
Premiums (in CHF thousands)	88,972	88,621

Daily allowance insurance	2017	2016
LAMal/KVG and LCA/VVG gross premiums (in CHF thousands)	298,577	241,885

Accident insurance	2017	2016
Gross premiums (in CHF thousands)	101,052	80,414

Occupational benefits - Mutuelle Valaisanne de Prévoyance	2017	2016
Balance sheet (in CHF thousands)	931,654	833,887
Premiums (in CHF thousands)	67,722	65,482
Number of affiliated companies	911	931
Yields on old-age retirement savings	1,75%	2,75%
Coverage ratio	116,8%	115,0%

Occupational benefits - Groupe Mutuel Prévoyance-GMP	2017	2016
Balance sheet (in CHF thousands)	957,910	860,516
Premiums (in CHF thousands)	79,640	79,150
Number of affiliated companies	1,767	1,757
Yields on old-age retirement savings	1,75%	2,75%
Coverage ratio	122,0%	117,8%

¹ AOS/OKP: Compulsory health insurance ² LCA/VVG: Federal Law on Insurance Contracts
 * Annual average number of insured members. As at 1 January 2018, the number of persons having taken out compulsory insurance (AOS/OKP) with a Groupe Mutuel health insurer is 1,074,748.

Insured members at the heart of the process

Innovation

A challenge both now and in the future

Whether in the media, retail, banking, insurance or health industry, to name but a few, digitisation continues its advance, changing behaviours and overturning habits that we thought were firmly anchored. In recent years, and sometimes at an accelerated pace, the expectations and needs of customers, consumers and insured persons have changed rapidly.

Timeliness, simplicity, mobility and flexibility: these are the new priorities in trade and services.

How can we better meet the expectations of our insured members, adapt to the way they use insurance and anticipate their increasing needs for personalised offers and products? The short answer is innovation. However, whether related to connected devices, data or behaviour, the new models designed to meet clients' expectations do not happen by accident. They must be imagined, invented, translated into reality, tested and supported financially.

Groupe Mutuel has chosen innovation to respond to the challenges and trends emerging from these changes that are already hitting the health and insurance sectors like a tidal wave.

There are many exciting projects. They build on the development of a true culture of innovation within the company itself. Groupe Mutuel has already initiated the process by asking its employees (from all positions and hierarchical levels) to become involved in the project and by providing them with the time and resources to do so. It has also launched dedicated structures, together with start-ups and

external partners, and created or improved its technology to serve its insured members.

By recruiting Nicolas Loeillot, as a Chief Innovation Officer whose mission is to implement the strategic innovation approach in the long term, over five or 10 years, Groupe Mutuel is sending out a strong signal, both internally and externally.

"Innovation is about challenging the present and predicting the future", says Nicolas Loeillot. "Without a doubt, we need to be proactive and become market players so that we are not mere bystanders in the future. This can be done by looking towards new models resulting from the ongoing changes in society - economic, behavioural, competitive or legal. The challenge is to be able to make the most of these changes."

One thing is certain: customers determine their own needs. *"Based on customer needs, we are able to generate resources, ideas, technology and people and develop new models and products. Of course, this also requires a change in mind set, corporate culture and habits. You have to be able to question yourself, listen and, from there, build a vision based on identified needs. In this sense, no one is more credible than the client and insured person themselves."*

2.0 client relationship Innovation

Towards an integrated model

Customers are at the heart of innovation. Therefore, our relationship with them is becoming ever more important. To better understand our customers, respond precisely to their needs and anticipate them: these are Groupe Mutuel's priorities.

Nowadays, the quality and timeliness of customer service, together with competitive premiums and the prompt reimbursement of medical invoices are, as we know, essential ingredients for customer satisfaction and loyalty.

Innovation is, of course, the hallmark of the 2.0 client relationship. In Groupe Mutuel, this designates a transversal project that aims to develop customer services using technology. This can be done not only by developing existing tools, such as Groupe Mutuel's entirely redesigned website launched a few months ago, but also by creating new tools, such as the GMap mobile application that allows policyholders to check the status of their deductible, their contract and refunds at all times and in any place, and to scan and send invoices to us directly.

We also developed the chatbot Izzy, a digital assistant and intelligent programme that is able to communicate with customers in natural language. Bots are developed based on artificial intelligence technologies. Izzy has

been visible on Groupe Mutuel's website since autumn 2017. Her role is simple: to guide insured members who wish to change or terminate their insurance contract. For the time being, Izzy carries out these two specific tasks only, thus relieving the employees working in Groupe Mutuel's call centre.

The test has been very conclusive so far. A majority of insured persons said they have found answers to their questions. The objective is to develop Izzy's skills so that she may eventually answer as many questions as possible.

Innovation continues, in a process of constant improvement. POEL, the online offers programme available on Groupe Mutuel's website, allows you to request and receive an offer. POEL 2.0, however, will be redesigned ergonomically and contain new innovative features. User experience will be fluid and seamless from beginning to end. In the long-term, end-user experience will be merged: this will involve shifting from a mode in which various small parallel innovations coexist, towards an integrated model.





“Employees are put
in the position of entrepreneurs and start-upers.”
Martin Garcia

Counting on our employees Innovation

A culture of change

Convinced that its own employees have strong creative and innovative potential, Groupe Mutuel launched an unprecedented project in 2017, relying on the abilities of its internal staff. An innovation focus group was formed, involving employees from various departments and hierarchical levels. The aim? To reflect on and develop innovative projects.

Readings, viewings of video material, workshops, presentations, field trips to a Fintech trade fair, to campuses and start-ups, exchanges with entrepreneurial and creative professionals: participants invested not only their time in the project, but also enthusiasm, open-mindedness and dedication over a period of approximately six months between the selection of the project and its final presentation.

“Employees are put in the position of entrepreneurs and start-upers”, says Martin Garcia, Innovation Manager at Groupe Mutuel. “The model is that of a start-up applied to an internal structure. Employees who volunteer are selected and are able to spend 20% of their working time to generate ideas, fine-tune concepts and prepare business models. The objective is to reach a worthwhile proposal, identify prospective partners, define the project structure and assess its costs and return on investment. All this in order to convince the Executive Board to accept to invest in the project.”

Two projects from a first season have already been selected for implementation. One of them will be implemented in POEL 2.0, the new version of the online offers programme.

To promote a culture of innovation among employees, to generate enthusiasm and positive energy for openness and new ideas: Groupe Mutuel is committed to achieving change and promoting entrepreneurial dynamism. *“Our employees are very motivated”, says Martin Garcia. “It is an opportunity for them to play a role in innovation and to contribute to the company’s progress, like seeds promised to grow.”*

Although this motivation stems from the desire to change insured persons’ everyday life, the aim is also to improve patients’ situations. For example, by implementing projects that focus on prevention or on patients’ experience of the health system. Or projects that are geared towards access to services and cost reduction.

Since January 2018, three new groups have replaced the former ones. Their work has focused on patient experience and over-contracting, but also on genuine innovation and new business models, without a predefined framework. The work is in full swing.



“ A standard
that will improve data protection. ”
Gilles Burnier

eKARUS Innovation

Long-term ambitions

Innovation is an opportunity for Groupe Mutuel, and not only for its employees or clients. It is also an opportunity for the company in its dealings with partners in the healthcare ecosystem, which counts, as we know, a large number of stakeholders (healthcare providers, pharmacies, governmental bodies such as the Confederation and cantons). This intensive cooperation takes place on a daily basis and the increasing number of exchanges requires that we question their costs, efficiency and cost-effectiveness.

For example, with regard to the cooperation between insurers and hospitals, Groupe Mutuel is currently taking part in eKARUS, an ambitious and innovative project that involves several other insurers, hospitals and clinics such as the Centre hospitalier universitaire vaudois (CHUV), the Hirslanden group of clinics or Hôpital de l'île, Bern, as well as representatives of cantons and santésuisse.

The objective of eKARUS is to ensure that the electronic exchange of information between partners becomes efficient, accurate and almost fully automatic. The initiators and promoters of the project, including Groupe Mutuel, started from the premise that data exchange between service providers and the persons responsible for healthcare costs can and must be improved. This in the interest of patients and insured persons, as well as for cost control purposes.

An innovative project whose design and implementation meet the highest technological requirements, eKARUS aims to harmonise and simplify administrative procedures between partners thanks to the harmonised communication standard “SHIP” (Swiss Health

Information Processing), which helps accelerate processes and make them more efficient. This standard covers the patients' therapeutic experience: from the organisation of the planned hospital stay, admission, treatment, discharge from hospital and invoicing, to cost management with insurers and cantons.

Gilles Burnier, in charge of eKARUS at Groupe Mutuel, says: *“This standard will improve data protection since anyone who works with data will have access to it only at the precise moment when he needs it and in the quantity necessary.”*

eKARUS is also innovative in its long-term ambition, that is to encompass not only insurers and hospitals, but also all healthcare stakeholders: home care networks, care homes, laboratories, pharmacies, doctors. The first stage focused on exchanges between insurers and hospitals because their volume is the largest and that any gains in terms of efficiency and cost-effectiveness are therefore potentially higher. Committed to help reduce health costs, Groupe Mutuel is working towards this objective.



“ Innovation stems from motivation, competition and the desire to go forward. ”

Nicolas Loeillot

Innovation Lab by Groupe Mutuel

Innovation

Acceleration and incubation

The future being linked to innovation as innovation is to the future, Groupe Mutuel has taken a step forward and opened an independent structure, a few hundred metres from its headquarters in Martigny (Innovation Lab), that focuses on healthtech, insurtech and fintech, and is entirely dedicated to developing innovative ideas and projects.

The purpose of this structure is to identify, encourage, observe, assess and support new projects related to digital transformation, and to guide some of them towards completion. This goes to show that Groupe Mutuel is a pioneer in this field.

As from 2018, close to 10 start-ups will be selected each year for a three-year programme, with the pre-selection taking place until the end of June (more than 300 potential Swiss and international start-ups have been shortlisted so far). These start-ups will then set up operations in Martigny in October in a dedicated location not far from Groupe Mutuel headquarters, where they will receive coaching and all the necessary infrastructure. This will involve either “accelerating” a company (existing business models that need to be supported and developed), or “incubating” a company (companies that already have new technology to develop but that are without clients or a business model).

“The structure is placed under the holding company and financially supported by it”, said Nicolas Loeillot, Chief Innovation Officer. “However, it will enjoy real independence and room for manoeuvre since innovation requires a certain amount of freedom.”

There are two aspects to the Lab: a more internal orientation, with the incubation, co-creation and creation of pilot projects based on ideas from within Groupe Mutuel. The light and flexible structure of the Lab makes it possible to go faster than through the usual business processes.

The other aspect is entirely externally-oriented, with the acceleration and investment in start-ups that operate, as mentioned above, in healthtech, insurtech and fintech. *“We choose the companies”, says Nicolas Loeillot, “but they also choose us. They present their projects to us after four months.”*

The projects are innovative and focus on a wide range of themes, in line with the challenges and future transformations of the health system and insurance: competitiveness and performance, security, user experience, health technology, connected objects, genetics, prevention, patients’ medical experience, etc.

According to Nicolas Loeillot: *“in innovation, the challenge is not the beginning, but the long-term; innovation stems from motivation, competition and the desire to go forward.”*

Outlook – with Nicolas Loeillot

Innovation

Breaking away from traditional models

After all, what is innovation in relation to health and insurance?

Innovation means rethinking insurance and the insured person's medical experience, in terms of technology, business models and new services. Innovation is at the service of clients, insured persons and stakeholders in the health and insurance ecosystem. Big changes are on the way. Take artificial intelligence for example, one of today's most powerful technologies, and data - which is at the heart of the system since artificial intelligence builds on data and blockchain.

What is blockchain?

Blockchain is a technique that allows contracts to be distributed and updated in real time. Thanks to blockchain technology, contracts can be entirely modulated. Or, in other words, designed according to an insured person's activities during such or such period of time. For example, if a person is skiing, his contract will cover skiing activities; if he is driving a car, the contract will cover driving a car. This allows the person to be insured for what he is actually doing. In this light, contracts are updated in real time, and are both dynamic and digitally secure. This is the broad definition of blockchain.

What are the benefits for the insured person?

Insured persons can choose an insurance product that is more sophisticated, that matches their specific needs and is therefore more useful. We can also imagine all sorts of ideas around prevention, which draw on the insured person's data. In this case also, the interests of insured persons and insurers alike are identical: that the insured person remains in good health for as long as possible.

What about data protection?

The new European Data Protection Regulation (GDPR) has had a strong impact on Swiss law, which will be revised. The insured person is the owner of his data and it will be necessary to obtain his active consent to use it. This dimension must be taken into account.

To innovate in Groupe Mutuel also means to engage in cross-disciplinary conversations in all areas...

Of course. To innovate means to adopt innovative managerial models, and to move away from the classic pyramidal hierarchy models.

What are the conditions for successful innovation?

Groupe Mutuel has been and is an innovative company, including in the sense of innovative technology. Its technical abilities are strong. The idea is to build on this spirit and to improve technology. To become, once again, a company with technological ambitions. To overcome cultural obstacles, stimulate a pioneering and entrepreneurial spirit in society, with the objective of offering the best services to customers and insured persons. The idea also is to cooperate with people from the outside, such as start-ups, because that is where you can find the mind set, the rhythm and intensity of the challenge. It's refreshing and promising.

Governance

Groupe Mutuel, Association d'assureurs

Groupe Mutuel is an association that serves the insurance companies that have entrusted it with the management of their activities. Its administrative infrastructure and employees are available for its member companies that are legally autonomous and have their own bodies.

This pooling of resources makes it possible to develop synergies that benefit all member companies and, therefore, our customers. Service provision clearly distinguishes between the various insurance branches, in particular between compulsory health insurance (LAMal/KVG) and supplemental insurance (LCA/VVG), as well as between the various member insurers. Services are invoiced to member companies according to objective allocation keys in line with the industry's good practices and audited by an independent third-party, so that each company's contribution corresponds to its actual use of resources.

Groupe Mutuel may also offer its services to companies that are not members of the Association. This is particularly the case for health insurance and occupational benefits.

	LAMal/KVG basic health insurance	LCA/VVG supplemental health insurance	Patrimony insurance (LCA/VVG)	Accident insurance pursuant to LAA/UVG	Daily allowance	Life insurance	Occupational benefits
Mutuel Assurance Maladie SA	■				■		
Philos Assurance Maladie SA	■				■		
Avenir Assurance Maladie SA	■				■		
Easy Sana Assurance Maladie SA	■				■		
SUPRA-1846 SA	■				■		
Fondation AMB	■				■		
Caisse-maladie du personnel communal de la Ville de Neuchâtel					■		
Groupe Mutuel Assurances GMA SA		■	■	■	■		
Mutuel Assurances SA		■	■	■	■		
Groupe Mutuel Vie GMV SA						■	
Groupe Mutuel Prévoyance-GMP							■
Mutuelle Valaisanne de Prévoyance							■

Overview of Groupe Mutuel member companies and partners and their activities

Six health insurers that offer compulsory health insurance have entrusted the management of their activities to Groupe Mutuel, Association d'assureurs, of which they are members. These insurers are: Mutuel Assurance Maladie SA, Philos Assurance Maladie SA, Avenir Assurance Maladie SA, Easy Sana Assurance Maladie SA, SUPRA-1846 SA and Fondation AMB, as well as the Caisse-maladie du personnel communal de la Ville de Neuchâtel, active solely in the field of daily allowance pursuant to LAMal/KVG. Private insurers, which offer supplemental health insurance and are responsible for marketing patrimony insurance, namely Groupe Mutuel Assurances GMA SA and Mutuel Assurances SA, as well as the life insurer Groupe Mutuel Vie GMV SA, also delegate their administration to Groupe Mutuel, Association d'assureurs, of which they are members. Some member insurers also offer accident insurance (LAA/UVG) and daily allowance in the event of illness pursuant to LAMal/KVG and LCA/VVG.

Furthermore, independent pension funds that are not members of Groupe Mutuel, namely Groupe Mutuel Prévoyance-GMP and Mutuelle Valaisanne de Prévoyance, have entrusted their administrative management to Groupe Mutuel, Association d'assureurs.

The Board Governance

Groupe Mutuel Board and specialised committees

The Board is the strategic steering body of Groupe Mutuel, Association d'assureurs. It comprises a maximum of nine members who are elected for two years. It defines the corporate positioning and strategy, exercises senior management and surveillance, sets out the organisational structure and the principles of the internal control system and represents the association in dealing with third parties. Its work is supported by three specialised committees: the Audit Committee, the Strategic Committee and the Remuneration and Appointments Committee. These committees act for Groupe Mutuel, but also for its member companies when provided for in their regulations. The committees regularly inform the Board of their activities.

The Board's specialised Committees

The Audit Committee is chaired by Jean-Blaise Conne and comprises three other members of the Board. Its main task is to verify the integrity of the financial information, compliance with legislation, internal regulations and guidelines, surveillance of the internal control system and audit processes. It organises and assesses the performance, certification and independence of internal and external auditors.

The Strategic Committee is chaired by Urs Schwaller and comprises four other members of the Board. It defines and submits the strategy to the Board, including by establishing long-term general corporate objectives. It monitors and assesses the structures of Groupe Mutuel on a regular basis and suggests amendments in light of market trends, legislation or strategy. It is also responsible for discussing the proposals for strategic partnerships which are received by the Association. It puts forward suggestions for improving the Swiss health system.

The Remuneration and Appointments Committee is chaired by Marc-André Ballestraz and comprises three other members of the Board. It submits a number of proposals to the Board regarding the remuneration of Board and Executive Board members. This Committee 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.

The Board members of Groupe Mutuel as at 31.12.2017 (2016-2018 mandate) are:

Karin Perraudin (1974), President ^{1,3} :	Master's degree in Business (HEC) / Certified chartered accountant Board Director for various companies / President of Valais Wallis Promotion
Roland Eberle (1953), Vice-president ² :	Agricultural Engineer. Member of the Council of States
Fabio Naselli Feo (1961), Secretary ^{2,3} :	Entrepreneur. Board Director for various companies
Marc-André Ballestraz (1956), Member ³ :	Master's degree in Commercial and Industrial Sciences / Certified chartered accountant President of the accounting firm Fidag SA
Thomas Boyer (1971), Member ^{1,2} :	Master's degree in Business (HEC) Member of the General Management of Groupe Mobilière Assurances
Jean-Blaise Conne (1952), Member ^{1,3} :	Certified chartered accountant. Board Director for various companies
Urs Schwaller (1952), Member ^{1,2} :	Doctor of Law / Lawyer President of the Board of Swiss Post
Jürg E. Tschanz (1969), Member ² :	MBA in Finance and Strategic Management Entrepreneur / Co-founder and President of planitswiss

¹: Member of the Audit Committee

²: Member of the Strategic Committee

³: Member of the Remuneration and Appointments Committee



The Board

From left to right

Thomas Boyer

Roland Eberle

Jean-Blaise Conne

Urs Schwaller

Karin Perraudin

Jürg E. Tschanz

Fabio Naselli Feo

Marc-André Ballestraz

The Executive Board Governance

Executive Board

The operational management of Groupe Mutuel and its member companies is under the responsibility of the Executive Board that was made up of five to seven members in 2017. The Executive Board implements the strategies approved by the Board and applies management and risk management principles. Furthermore, it monitors legal and regulatory developments and ensures compliance with the latter.

Paul Rabaglia (1967): Vincent Claivaz (1969):	Chief Executive Officer: Master's degree in Business (HEC) Sales, Marketing & Communication: Diploma of Senior Technician in Catering and Tourism / Master's degree in Hospital Management
Marc Olivier Delévaux (1962):	Corporate & Occupational Benefits insurance: Diploma of Associate in Risk Management / Federal Masters in Insurance / CAS in general management
Olivier Follonier (1960): Thomas J. Grichting (1964): Florian Raemy (1971): Sophie Revaz (1983):	Organisation & Client Management: Economist General Secretariat: Doctor of Law / Lawyer Finance: Master's degree in telecommunications / MBA in International Management Legal Department and Human Resources: Master's degree in Law / Lawyer

Code of Conduct

The Board and Executive Board adopted a Code of Conduct that applies to all of Groupe Mutuel's 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 or its member companies must all comply with the Code of Conduct.

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 the appropriate measures.

The implementation of risk management and of the internal control system follows the principle of the three lines of defence. The first line of defence is provided by operational managers and business units. The second line of defence includes monitoring functions, such as compliance, internal control, risk management and the actuarial department. Internal audit is the third line of defence.

Monitoring functions and internal audit have unrestricted access to information and carry out their activities independently.

The Executive Board

From left to right

Paul Rabaglia

Olivier Follonier

Thomas J. Grichting

Marc Olivier Delévaux

Sophie Revaz

Florian Raemy

Vincent Claivaz



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.

Internal control and risk management

The internal control and risk management functions are responsible for integrated risk and control management, including the independent assessment of risks and control and the coordination of the internal control system.

Internal audit

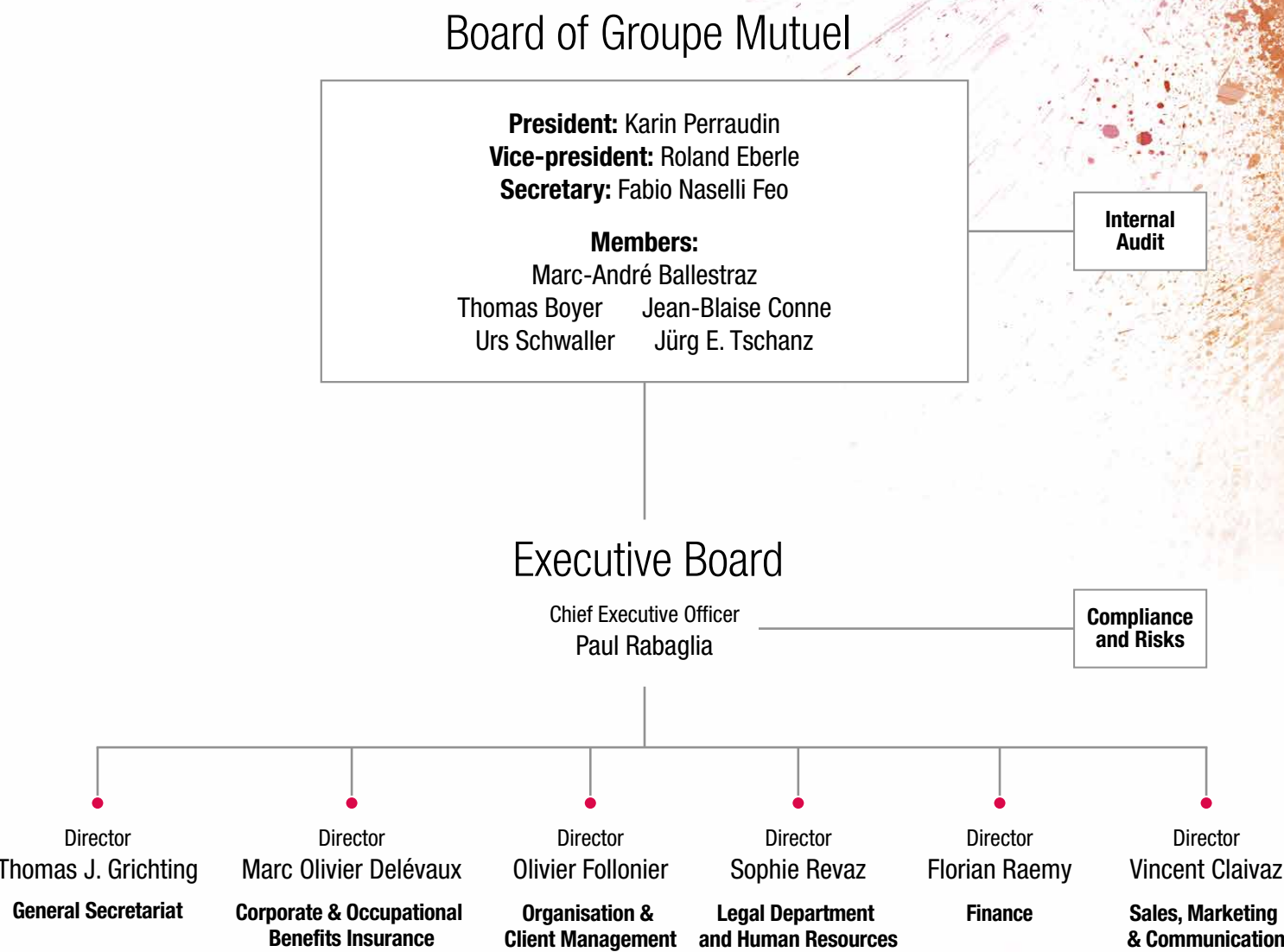
The internal audit supports the Board in its oversight function. It regularly informs the Board of its findings and suggests improvements.

Remuneration of the members of the Board and Executive Board

The remuneration of Groupe Mutuel's Board and of the Boards of Directors of its member companies is governed by regulations adopted by the bodies of all member companies of the Association. Remuneration consists of a fixed fee and the reimbursement of representation or travel costs. No variable bonus is granted. For all member companies of the Association, 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 and the Boards of Directors is also capped, regardless of the number of boards on which they serve within the Association and its member companies. The ceiling is CHF 200,000 for the President and CHF 80,000 for the other board members. To these amounts are added CHF 10,000 for participation in a committee, but at most CHF 20,000.

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 annual remuneration for all members of the Executive Board was CHF 2,672,440 divided into CHF 2,207,246 for gross salaries, CHF 234,960 for pension benefits payable by the employer and CHF 230,234 for other allowances. The highest total remuneration was CHF 497,262, i.e. a salary of CHF 409,890, CHF 43,200 for pension benefits and CHF 44,172 for other allowances.

Organisational chart as at 31 December 2017



Financial report

Groupe Mutuel reinforces its financial stability

In 2017, real GDP growth in Switzerland reached 1,0% according to the provisional figures of the State Secretariat for Economic Affairs (seco). After a sluggish start to the year, economic recovery accelerated sharply, supported in this by increasingly broad foundations. In this context, Groupe Mutuel managed to reinforce its stability and achieve very positive results in various areas of activity. Furthermore, excellent investment performance contributed significantly to improve overall results.

Turnover for the "Health" activity sector increased satisfactorily to reach CHF 5.66 billion (5.35 billion in 2016). Its net result reached CHF 179 million and helped strengthen the equity for all activities.

In a difficult context, boosted however by the arrival of over 3,000 new clients, the amount of gross premiums for "Life" insurance reached CHF 89 million.

For the new "Patrimony" activity sector, turnover grew to reach to CHF 19.5 million (+16,6%).

A significant growth, however, was registered for "Corporate" insurance activities, which increased by +24% to reach a turnover of close to CHF 400 million.

The evidence of this success is the number of insured companies, which is now over 22,000. Therefore, Groupe Mutuel's diversification strategy has paid off.

In terms of digitisation, Groupe Mutuel increased the range of interfaces with its clients by introducing the chatbot Izzy and launching activities on social networks in the course of 2017.

These measures further improved customer services, which is the main objective of Groupe Mutuel, and have been reinforced by enhanced resources for advising and assisting clients.

At the same time, our processes were made even more efficient, which helped reduce the costs to be borne by insured persons. Due to the verification and rectification of medical invoices, expenses were reduced by 10,5%, i.e. over CHF 630 million. By continuing to centralise and process digitised documents on its NOVA platform, Groupe Mutuel has reduced the administrative costs per insured person to 3,6% of premium amounts under compulsory health insurance.

In 2017, health costs covered by compulsory health insurance (AOS/OKP)* continued to rise in Switzerland. However, growth was below the average of recent years, with an overall increase of +3%. The strong increase in outpatient costs continued to progress, with +5,6% for outpatient care and +4% for doctors. Together with a decrease of -2,5% in inpatient care costs, this trend confirmed that treatments are being transferred from the inpatient sector to the outpatient sector, and this is further reinforced by the establishment of cantonal lists.

Although beneficial for patients and the overall health system, this approach is increasing the burden of costs for the AOS/OKP and, therefore, for premium payers. This is because outpatient treatment costs are fully paid for by insurers whereas inpatient treatments are covered financially both by cantons (55%) and insurers (45%). It has therefore become urgent to address this imbalance in funding.

For other healthcare providers, costs increased as follows: physiotherapists +7,5%, laboratories +4,3%, nurse care, home help (Spitex) and care homes (EMS) +3,6%, and drugs +3,1%.

*Data based on the treatment date and published by santésuisse, the umbrella organisation for health insurers.



Health Financial report

A welcome result for the “Health” activity sector

The “Health” activity sector reported a welcome result of CHF 179 million (-1.3 million in 2016), with positive results for all lines of business. Thanks in particular to the way it manages its investments, Groupe Mutuel achieved an excellent performance on financial markets. Overall performance reached 6,2% (+2,2% in 2016), which brought the investment result to CHF 167.2 million in 2017 (63.0 million in 2016). These positive results helped strengthen equity, which reached over CHF 1.5 billion at the date of the 2017 balance sheet (+11,5%). The turnover for the “Health” activity sector increased by 5,8% to CHF 5.66 billion (5.35 billion in 2016).

Increased turnover

Gross premium amounts under LAMal/KVG exceeded CHF 4.7 billion (4.5 billion in 2016), that is an increase of 4,9%. Insurance benefits paid out after the deduction of any co-insurance amounts increased by 4,1% to reach CHF 4.3 billion (4.1 billion in 2016). The average cost per AOS/OKP insured person reached CHF 3,600 in 2017 (3,447 in 2016), namely an increase of 4,4%, including the amount for risk compensation (CHF 131) and the allocation to the reserve for outstanding claims (CHF 20). All in all, Groupe Mutuel insurers paid out a total amount of CHF 161.8 million into the risk compensation fund in favour of other insurers (CHF 216.7 million in 2016).

Low administrative expenses

Groupe Mutuel places great emphasis on efficient management, by ensuring that its operating costs are as low as possible while offering comprehensive services and specialist advice to its customers. Thanks to its efforts, administrative expenses were contained at the same level than in the previous year, that is CHF 134 per insured person. Therefore, with regard to premium amounts, these administrative expenses fell to 3,6% of premium amounts (2016: 3,9%), which is an excellent result compared to the rest of the industry which stands at approximately 5%. This result was achieved in particular through the rigorous and efficient verification of invoices. In addition, the Nova IT platform continued to have a positive effect on operational efficiency and digital measures for customer services (GMnet and GMapp) were successful. Over 95,000 customers are currently using one of these new digital platforms.



Health

Overall result for the “Health” activity sector: CHF +179 million

Equity strengthened to over CHF 1.5 billion (+11,5%)

Low administrative expenses equivalent to 3,6% of premium amounts (CHF 134 per insured person)

Drop in the number of AOS/OKP insureds to 1,074,748 as at 1.1.2018 (-13,0%)

Slight decline in the performance of LCA/VVG insurance to CHF 69.3 million (-5,3%)

Invoice verification:
your insurer strives every day
to reduce premium amounts

In 2017, the medical invoices received by Groupe Mutuel amounted to a total of around CHF 6 billion, all treatments included. Thanks to our digitisation strategy and to the automation of our business processes, verifying and correcting invoices helped reduce expenses by 10,5%, i.e. close to CHF 630 million, which represents a relief on the same amount of premiums.

In 2017, the most significant savings were made in outpatient hospital care and doctors (CHF 157.2 billion), outpatient care (CHF 150.5 million), inpatient hospitalisation care and EMS care homes (CHF 130.4 million) and drugs (CHF 29.9 million).

In the field of managed care, savings for premium payers amounted to a total of CHF 35 million. The measures implemented included the improvement of the health treatment chain for insured persons, and the case management approach that promotes a rapid return to work, following an accident or an illness, of employees belonging to corporate clients.

In terms of the average time to process invoices, we are maintaining our objective to reimburse insured persons within 15 days, which involves processing invoices in-house within a maximum of eight days. In 2017, this objective was met for most types of healthcare benefits, within an average deadline of seven days.

Thanks to invoice verification, expenses were reduced by 10,5%

Hospital outpatient care and doctors: **savings of CHF 157.2 million**

Other outpatient care: **savings of CHF 150.5 million**

Inpatient hospital care and care homes (EMS): **savings of CHF 130.4 million**

Drugs: **savings of CHF 29.9 million**

Medical benefits increase for insured members

The following table shows that for persons insured with Groupe Mutuel, approximately three quarters of the costs are divided between doctors, hospitals (inpatient and outpatient care) and drugs. This distribution key has changed little for several decades.

	Amounts in CHF million	Breakdown in %	Per insured person in CHF
1. Doctors	1,125.5	22,2%	919
2. Hospitals (inpatient)	919.4	18,2%	751
3. Drugs	872.2	17,2%	712
4. Hospitals (outpatient)	853.1	16,9%	697
5. Laboratories	313.5	6,2%	256
6. Other	287.8	5,7%	235
7. Care homes (EMS)	225.6	4,5%	184
8. Physiotherapists	162.7	3,2%	133
9. Risk compensation	161.8	3,2%	132
10. Home care	140.9	2,8%	115

Gross AOS/OKP benefits per healthcare provider, including risk compensation, paid by Groupe Mutuel health insurers in 2017.

Number of persons insured under AOS/OKP insurance

In 2017, Groupe Mutuel registered a decline in its insured members. As at 1 January 2018, the number of persons insured with Groupe Mutuel under basic insurance was 1.075 million, that is a drop of -13%. This moderate decrease reflects the strong loyalty of Groupe Mutuel customers in light of the increase in premiums that Groupe Mutuel announced for 2018 in order to adjust its financial reserves to the levels required by law.

Private supplemental insurance (LCA/VVG)

Private supplemental insurance offers customised solutions to insured persons, tailored to their individual needs, to supplement the benefits offered under basic insurance (LAMal/KVG). Due to the greater entrepreneurial freedom in this area, Groupe Mutuel is able to offer a wider range of products and regularly innovates to develop new insurance solutions. These offers are made by two private insurance companies, Groupe Mutuel Assurances GMA SA and Mutuel Assurances SA. The overall result for this activity sector reached CHF 69.3 million in 2017 (73.2 million in 2016), i.e. a slight decrease of 5,3%. This result also includes LCA/VVG daily allowance coverage. The financial strength of this business sector remains well established.

Life Financial report

Continued progress in our business

Life insurance gross premiums settled at CHF 89 million (88.6 million in 2016). Due to persistent low interest rates, Groupe Mutuel Vie GMV SA continued its selective underwriting policy while placing emphasis on stable transactions and increasing its financial reserves. In 2017, Groupe Mutuel Vie GMV SA recorded the arrival of 3,073 new customers. The number of policies under management was 40,194 (39,527 in 2016).

A satisfying result

With a return of +3% in market value on its own investments, the result of Groupe Mutuel Vie GMV SA is encouraging given the evolution of bond yields during the period under review. Life insurance products linked to investment funds achieved a return of 6,8%. Thus, for the 2017 financial year, the company's overall performance reached +3,9%.



Life

Gross premiums settled at CHF 89 million (+0,4%)

More than 40,000 contracts under management

Overall investment fund performance: +3,9%

Patrimony Financial report

Successful diversification

“Patrimony” insurance represents Groupe Mutuel’s youngest sector of activity. This sector perfectly reflects the company’s diversification strategy. In addition to the various legal protection insurance plans, based on clients’ individual needs, personal liability insurance and household contents insurance, pursuant to LCA/VVG, currently represent the patrimony insurance range.

In 2017, these activities continued to grow despite strong market competition, with the turnover progressing from CHF 16.7 million in 2016 to CHF 19.5 million in 2017, i.e. an increase of +16,6%. This shows that the long-standing diversification strategy of Groupe Mutuel has been successful.

Insurance coverage in perfect harmony with our customers’ needs

When developing new products, we place special emphasis on becoming familiar with our clients’ needs and concerns. This approach led to the development of insurance coverage that perfectly responds to customers’ needs: payment of a monthly premium for all “Patrimony” products; damage to own vehicle and coverage for earthquakes in the household contents insurance as well as financial defaulting of the liable person in the personal liability insurance. During the 2017 financial year, we built the foundations to develop this line of business.



Patrimony

Sustained growth for this new sector of activity (+16,6%)

Successful diversification

Coverage consistent with our customers’ needs

Corporate Financial report

Accident insurance and loss of earnings' insurance in case of illness

This year again, corporate insurance registered a significant increase in turnover (+24%). 22,000 companies are now insured with us (+10%). Overall, insurance for loss of earnings in case of illness (daily allowance) and accident insurance recorded a turnover of close to CHF 400 million (CHF 322.3 million in 2016).

Loss of earnings insurance in the event of illness progressed very satisfactorily by 23,4%, reaching a turnover of CHF 298.6 million (241.9 million in 2016), of which CHF 97.8 million under LAMa/KVG and CHF 200.8 million according to LCA/VVG. Accident insurance premiums (LAA/UVG) rose by 25,7% to CHF 101.1 million (80.4 million in 2016).

This increase was made possible mainly thanks to those companies that entrusted us with the management of personal insurance for their employees. We offer companies the full range of personal insurance under one roof and provide close assistance to customers.



Corporate

Accident insurance and loss of earnings' insurance in case of illness:

Strong increase of 24% in 2017

CHF 400 million for the overall turnover

22,000 companies have placed their trust in us (+10%)

Expertise and support for health in the workplace (CHM)

Corporate Xnet for a connected future

Occupational benefits (LPP/BVG)

The two collective pension funds managed by Groupe Mutuel fully benefited from stock market opportunities in 2017, with an investment performance of 7,35%. This result, together with the annual savings bonuses paid by insured persons, contributed to increasing assets under management, which grew by an average of 10,0%.

The financial situation of Groupe Mutuel Prévoyance-GMP and Mutuelle Valaisanne de Prévoyance is particularly sound and stable. The reserves designed to guarantee commitments in favour of insured persons are entirely built up and the excellent results will allow policyholders to receive an additional interest once again, as was the case in previous years.

By decision of the Pension Boards, retirement savings will therefore be remunerated at a rate of 3,0% in 2018, that is an increase of 2,0% which will be added to the minimum interest rate of 1,0% (minimum LPP/BVG rate for 2018). This remuneration is added in the same way to the minimum statutory retirement benefits (LPP/BVG) and to supplemental benefits. Following the allocation of the remuneration, the coverage ratio remains at an excellent level of 116,8% for Mutuelle Valaisanne de Prévoyance and 122,0% for Groupe Mutuel Prévoyance-GMP.

Occupational benefits:

Solid growth

Excellent coverage ratio

Generous return on retirement savings

A connected future for our Corporate clients

Thanks to our xNet application for companies, we are paving the way for modern connectivity since data exchange can be changed as required and according to our clients' needs. The starting point of our considerations is to achieve efficient and secure data exchange at a lower cost for all parties.

Furthermore, our CorporateCare specialists are available to support client companies in managing absences and promoting and managing corporate health (CHM). We intend to innovate in CHM by developing our services in the coming years in partnership with our corporate clients.

Summary of results

The accounts for the financial year that ended on 31 December 2017 were established with the purpose of providing an overall view of the activities, results and financial situation of Groupe Mutuel member companies that are active in health and accident insurance.

The companies included in the scope of this presentation finalised their accounts as at 31 December. The summary of results covers the following sectors of activity:

- compulsory health insurance (LAMal/KVG) and optional daily allowance insurance (LAMal/KVG) that are governed by the Federal Insurance Supervisory Law (LSAMal/KVAG),
- supplemental insurance (LCA/VVG) and daily allowance insurance (LCA/VVG) that are governed by the Federal Law on Insurance Contracts (LCA/VVG) and the Federal Insurance Supervisory Law (LSA/VAG),
- accident insurance, that is governed by the Federal Law on Accident Insurance (LAA/UVG),
- reinsurance.

These activities were represented by the following companies in 2017:

- Foundations: Fondation AMB, Caisse-maladie du personnel communal de la Ville de Neuchâtel,
- Non-profit stock companies: Avenir Assurance Maladie SA, Easy Sana Assurance Maladie SA, Mutuel Assurance Maladie SA, Philos Assurance Maladie SA, SUPRA-1846 SA,
- Profit-making stock companies: Groupe Mutuel Assurances GMA SA, Mutuel Assurances SA.

Supervisory authorities:

- FOPH (Federal Office of Public Health - Bern), responsible for the supervision of compulsory health insurance,
- FINMA (Swiss Financial Market Supervisory Authority), responsible for the supervision of supplemental insurance.

Illness and accident sector — Key figures

	2017	2016	Variation in %
Annual performance (in CHF million)	179.0	-1.3	-
Number of AOS/OKP insured persons ¹	1,233,013	1,268,054	-2,8%

Turnover by sector of activity*	2017	2016	Variation in %
LAMal/KVG insurance	4,728.7	4,507.1	4,9%
LCA/VVG insurance	811.1	745.0	8,9%
LAA/UVG insurance	101.1	80.4	25,7%
Other	19.6	16.9	16,2%
Total	5,660.5	5,349.4	5,8%

In CHF, per person insured under AOS/OKP	2017	2016	Variation in %
Collected premiums	3,754	3,483	7,9%
Net benefits paid out	-3,437	-3,209	7,1%
Other technical expenses	-11	-9	23,2%
Variation of technical provisions	-20	-58	-64,6%
Risk compensation	-131	-171	-23,2%
Administrative expenses	-134	-134	0%
Total insurance expense	-3,600	-3,447	4,4%
Administrative expenses in relation to collected premiums	3,6%	3,9%	-0,3%

¹ Annual average number of insured members. As at 1 January 2018, the number of persons having taken out compulsory insurance (AOS/OKP) with a Groupe Mutuel health insurer is 1,074,748.

* in CHF million

Key figures (continued)

	2017	2016	Variation in %
Total provisions for outstanding claims*	1,340.6	1,294.7	3,5%
As a % of net insurance benefits	26,8%	27,2%	-0,4%

	2017	2016	Variation in %
LCA/VVG technical and non-technical provisions*	434.2	414.3	4,8%
As a % of net LCA/VVG premiums	53,5%	55,6%	-2,1%

	2017	2016	Variation in %
Total equity*	1,546.0	1,387.0	11,5%
As a % of net premiums	27,3%	25,9%	1,4%

	2017	2016	Variation in %
Total LAMal/KVG equity*	555.1	469.6	18,2%
As a % of net LAMal/KVG premiums	11,6%	10,3%	1,3%

* in CHF million

Profit and loss account — Summary 2017 and 2016

Insurance revenue	2017	2016
Premiums acquired for own account	5,636,475,252	5,331,260,066
Other insurance revenue	24,021,621	18,158,832
Technical revenue of insurance operations	5,660,496,873	5,349,418,898

Insurance expenses	2017	2016
Claims and benefits expenses	-4,961,957,711	-4,723,925,476
Variation of technical provisions	-100,798,514	-98,708,068
Acquisition and operating expenses	-352,442,709	-320,907,571
Risk compensation	-161,809,243	-216,712,965
Other technical expenses for own account	-41,840,443	-27,212,822
Technical expenses of insurance operations	-5,618,848,620	-5,387,466,902

Technical result of insurance operations	41,648,253	-38,048,004
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Investment revenue	167,220,731	63,003,828
Other financial expenses and revenue	-4,261,812	-1,856,769
Exceptional expenses and revenue	258,952	405,852

Annual results before tax	204,866,124	23,504,907
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Direct tax	-25,850,084	-24,795,811
Profit/loss for the financial year	179,016,041	-1,290,904

Profit and loss account by sector of activity — Illness and accident

In CHF

	LAMal/KVG insurance ¹			LCA/VVG insurance ²			LAA/UVG insurance ³			Other services ⁴			Total		
Insurance revenue	2017	2016	Variation in %	2017	2016	Variation in %	2017	2016	Variation in %	2017	2016	Variation in %	2017	2016	Variation in %
Premiums acquired for own account	4,724,624,040	4,506,504,920	4,8%	810,681,175	744,172,290	8,9%	101,051,761	80,414,449	25,7%	118,276	168,407	-29,8%	5,636,475,252	5,331,260,066	5,7%
Other insurance revenue	4,091,278	597,871	584,3%	456,163	861,812	-47,1%	65	1,031	-93,7%	19,474,115	16,698,118	16,6%	24,021,621	18,158,832	32,3%
Technical revenue of insurance operations	4,728,715,318	4,507,102,791	4,9%	811,137,338	745,034,102	8,9%	101,051,826	80,415,480	25,7%	19,592,391	16,866,525	16,2%	5,660,496,873	5,349,418,898	5,8%
Insurance expenses															
Claims and benefits expenses	-4,314,208,529	-4,142,715,423	4,1%	-592,052,223	-538,546,638	9,9%	-55,435,798	-42,064,881	31,8%	-261,161	-598,534	-56,4%	-4,961,957,711	-4,723,925,476	5,0%
Variation of technical provisions	-28,278,992	-70,831,649	-60,1%	-53,748,201	-10,920,176	-	-18,790,617	-16,502,979	13,9%	19,296	-453,264	-	-100,798,514	-98,708,068	2,1%
Acquisition and operating expenses	-177,392,684	-182,172,548	-2,6%	-152,561,347	-119,814,113	27,3%	-15,703,786	-13,448,053	16,8%	-6,784,892	-5,472,857	24,0%	-352,442,709	-320,907,571	9,8%
Risk compensation	-161,809,243	-216,712,965	-25,3%	-	-	-	-	-	-	-	-	-	-161,809,243	-216,712,965	-25,3%
Other technical expenses for own account	-15,508,099	-13,167,975	17,8%	-16,266,688	-6,566,127	147,7%	-2,572,776	-1,240,210	107,4%	-7,492,880	-6,238,510	20,1%	-41,840,443	-27,212,822	53,9%
Technical expenses of insurance operations	-4,697,197,547	-4,625,600,560	1,5%	-814,628,459	-675,847,054	20,5%	-92,502,977	-73,256,123	26,3%	-14,519,637	-12,763,165	13,8%	-5,618,848,620	-5,387,466,902	4,3%
Technical result of insurance operations															
	31,517,771	-118,497,769	-	-3,491,121	69,187,048	-	8,548,849	7,159,357	19,4%	5,072,754	4,103,360	23,6%	41,648,253	-38,048,004	-
Investment revenue	50,823,315	31,031,353	63,8%	93,596,789	25,962,064	260,5%	20,434,677	5,379,345	279,9%	2,365,950	631,065	274,9%	167,220,731	63,003,828	165,4%
Other financial expenses and revenue	-166,480	-191,449	-13,0%	-3,295,667	-1,350,305	144,1%	-728,209	-279,492	160,5%	-71,455	-35,521	101,2%	-4,261,812	-1,856,769	129,5%
Exceptional expenses and revenue	258,953	412,341	-37,2%	-1	-5,671	-100,0%	-1	-705	-99,9%	-	-113	-100,0%	258,952	405,852	-36,2%
Direct tax	-	-	-	-17,506,029	-20,571,899	-14,9%	-6,705,000	-2,963,000	126,3%	-1,639,055	-1,260,912	30,0%	-25,850,084	-24,795,811	4,3%
Profit/loss for the financial year	82,433,559	-87,245,525	-	69,303,971	73,221,236	-5,3%	21,550,316	9,295,505	131,9%	5,728,194	3,437,880	66,6%	179,016,041	-1,290,904	-

¹ LAMal/KVG insurance: this area of activity comprises compulsory health insurance and optional daily allowance insurance pursuant to LAMal/KVG which are offered by Avenir Assurance Maladie SA, Easy Sana Assurance Maladie SA, Mutuel Assurance Maladie SA, Philos Assurance Maladie SA, SUPRA-1846 SA, Fondation AMB and Caisse-maladie du personnel communal de la Ville de Neuchâtel.

² LCA/VVG insurance: this area of activity comprises all insurance products pursuant to LCA/VVG as well as LCA/VVG daily allowance insurance which are offered by Groupe Mutuel Assurances GMA SA and Mutuel Assurances SA.

³ LAA/UVG insurance: insurance products under LAA/UVG are offered by Groupe Mutuel Assurances GMA SA and Mutuel Assurances SA.

⁴ Other services: insurance products offered by Groupe Mutuel Assurances GMA SA and Mutuel Assurances SA as intermediaries.

Comparative balance sheets as at 31 December 2017 and 2016 In CHF

Accounting principles and assessment methods

Assets	31.12.2017	31.12.2016
Capital investments	2,937,873,827	2,757,722,401
Receivables on derivative financial instruments	45,544,191	35,034,250
Cash assets	726,009,568	663,155,122
Reinsurer's share in technical provisions	6,888,961	10,028,973
Receivables resulting from insurance operations	487,298,371	451,290,427
Other receivables	11,496,099	16,757,812
Accrued income	143,848,552	110,680,736
Total assets	4,358,959,569	4,044,669,721

Liabilities	31.12.2017	31.12.2016
Technical provisions	1,903,925,650	1,807,485,053
Non-technical provisions	271,555,012	245,692,300
Liabilities resulting from insurance operations	420,304,820	354,725,185
Liabilities on derivative financial instruments	45,532,730	34,980,290
Deferred income	171,646,943	214,808,520
Total provisions and external liabilities	2,812,965,155	2,657,691,348
Capital stock	16,510,000	16,510,000
Legal reserves resulting from capital contributions	5,910,805	5,910,805
Legal reserves resulting from profit	8,300,000	8,500,000
Optional reserves resulting from profit		
Carry-forward of profits	1,266,991,724	1,288,082,628
Profit/loss for the financial year	179,016,041	-1,290,904
Other free reserves – compensation fund	69,265,844	69,265,844
Total equity	1,545,994,414	1,386,978,373
Total liabilities	4,358,959,569	4,044,669,721

Presentation of accounts

The accounts present the financial situation of the company in a way such that a third party may arrive at an informed judgement. The financial statements are prepared based on the assumption regarding continuity of business.

The figures in the balance sheet, income statement and tables are expressed in Swiss francs, rounded to the nearest franc. The totals may therefore not correspond exactly to the sum of the components.

Changes in the presentation of accounts

The financial statements for 2017 were adjusted in some cases, with no impact on the income for 2017, with the purpose of improving the comparability between periods.

Date of the balance sheet

The reference closing date is 31 December.

Assessment principles

The financial statements were prepared according to the principle of periodical adjustments and of matching expenses to revenue as well to the principle of historical costs, unless otherwise specified. The assessment is carried out in a consistent manner for all balance sheet items. The principles of consistency and individual assessment of assets and liabilities apply to the financial statements.

Currency conversion

The annual accounts are drawn up in Swiss francs. Items held in foreign currencies are translated using the closing rate method. Foreign currency transactions are translated at the exchange rate prevailing on the transaction date.

Capital investments

Capital investments are assessed at current values. Variations in value are recorded as unrealised gains in revenues or as unrealised losses in expenses on the income statement. Current values are understood in principle to mean the market values for all capital investments. Accrued interests appear in accrued income.

Receivables on derivative financial instruments

Foreign currency forward contracts are assessed at market value on the closing date. They are shown on a gross basis in the receivables and liabilities on derivative financial instruments. Variations in value are recorded in other financial revenue and other financial expenses.

Cash assets

This item includes liquidities and is valued at nominal value.

Receivables arising from insurance operations and other receivables

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

Accruals

With accruals, it is possible to match interests on assets and liabilities, commission as well as other revenue and expenses with the relevant financial periods with a view to complying with the principle of periodical adjustments.

Technical provisions

Provisions for outstanding claims, including provisions for the costs of processing claims, are calculated according to the historical liquidation rate method. These provisions are used to estimate claims incurred during the year but not paid because not yet notified by the claimant, as well as claims pending payment or only partially paid. Other technical provisions are calculated according to recognised actuarial methods.

Non-technical provisions

Provisions for capital investment risks are recorded for specific market risks related to capital investments in order to take into account fluctuations in current values. The valuation method adopted is the “risk adjusted capital ratio”. The rate of provisioning is defined according to the expected return on investment by integrating various risk factors (volatility of the strategy, expected performance of the strategy/allocation, degree of probability).

Liabilities arising from insurance operations and other liabilities

Liabilities to third parties are valued at nominal value. Where, because 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 that will probably be necessary.

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Pension funds managed by Groupe Mutuel: Groupe Mutuel Prévoyance-GMP – Mutuelle Valaisanne de Prévoyance