

General Electric Switzerland Supplementary Insurance Plan

Short Report 2017

Key figures	2017	2016
Capital investments in CHF	194,187,435	184,284,436
Expenditure/income surplus in CHF	6,161,414	-919,640
Employer contributions in CHF	11,736,078	12,725,282
Employee contributions in CHF	3,416,605	3,696,815
Pension benefits in CHF	3,290,205	3,099,495
Capital benefits in CHF	4,911,566	2,890,246
Net cash flow contributions/benefits in CHF	6,950,912	10,432,356
Net result insurance benefits in CHF ¹⁾	165,332	372,401
Return on capital investments in %	8.16	3.75
Coverage ratio in %	115.20	112.10
Value fluctuation reserve in % ²⁾	15.20	12.10
Target value fluctuation reserve in % ²⁾	22.00	22.00

¹⁾ This amount consists mainly of the following components: difference between risk premium and actual costs for death and disability benefits, difference between actual mortality rate during year under review and statistical long-term reading.

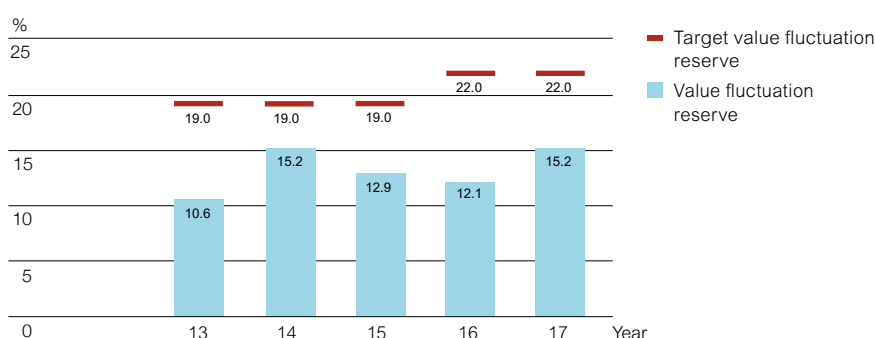
²⁾ As % of pension capital (savings and covering capital) and actuarial reserves

Population	2017	in %	2016	in %
Active members	1,212	81	1,308	83
Pensioners ¹⁾	283	19	273	17
Total	1,495		1,581	

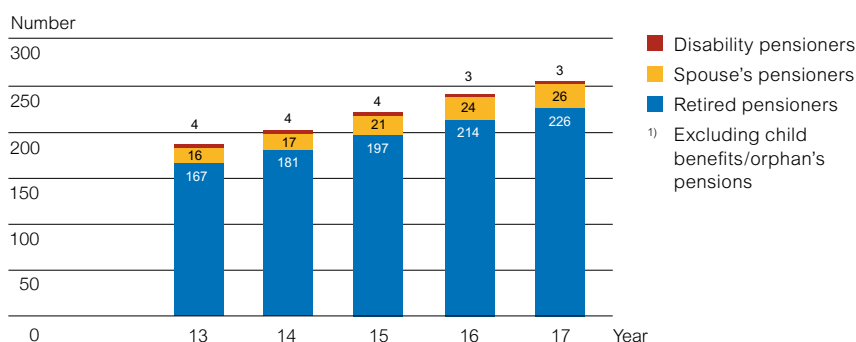
¹⁾ Including children and orphans

Benefits	2017	2016
Pension increase in CHF	–	–
One-time bonus for retired pensioners in CHF	–	–
Conversion rate at 65 in %	6.10	6.20
Interest on savings capital in %	8.75	1.25
Average interest on savings capital over the last ten years in %	2.20	1.60
Actuarial interest rate in %	1.75	1.75

Value fluctuation reserve



Breakdown by pensioner category ¹⁾



¹⁾ Excluding child benefits/orphan's pensions

Excellent investment result makes special one-time benefit payment possible

The reporting year was an outstanding year for stock markets. Thanks to the robust economic recovery as well as the continued loose monetary policy of many central banks, a number of key indices reached new record highs. Real estate investments in Switzerland continued to make a solid contribution to the annual return. Bond markets varied: While corporate bonds, especially those from emerging countries, generated above-average returns, there were hardly any returns on government bonds which are considered safe investments.

The General Electric Switzerland Supplementary Insurance Plan achieved an excellent result with a performance of 8.16%. The already positive financial situation of the Supplementary Insurance Plan showed a further improvement. The resulting above-average increase in the coverage ratio made it possible to pay a special one-time benefit in the form of an extraordinary interest of 8.75%. Still, the coverage ratio of the Supplementary Insurance Plan increased to 115.2%. Due to the persistently low interest rates on the capital markets, the Board of Trustees has resolved to continue its prudent policy and has set a 1.00% interest rate – the minimum interest rate specified by the Federal Council – for savings capital in 2018.

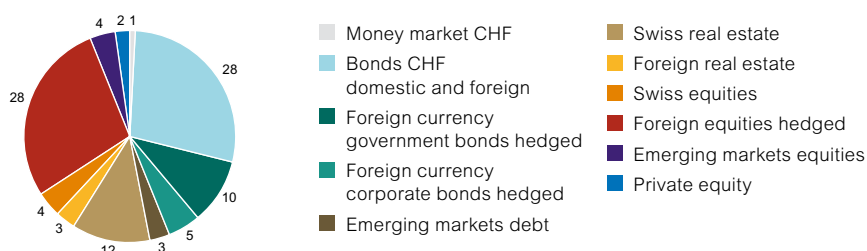
In the past financial year, the Board held four regular meetings and one extraordinary meeting.

The partial liquidation due to the departure of Ansaldo Energia Switzerland AG was carried out as per reference date 31 December 2016. The formal notification process has been completed and the portion of actuarial reserves and value fluctuation reserves which corresponds to Ansaldo Energia Switzerland AG will be transferred to the company's new employee benefits institution.

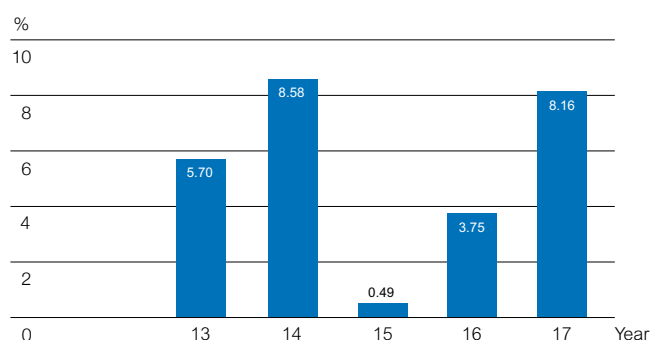
Balance sheet	31.12.2017 CHF	31.12.2016 CHF
Assets		
Capital investments	194,187,435	184,284,436
Employer receivables	1,191,803	1,359,085
Cash and other assets	6,897,519	6,357,712
Total assets	202,276,758	192,001,233
Liabilities		
Liabilities and accruals	9,292,133	13,208,082
Active members' liabilities (savings capital)	104,327,087	99,404,191
Pensioners' liabilities (covering capital)	53,039,728	49,295,999
Actuarial reserves	10,199,000	10,835,565
Value fluctuation reserve	25,418,810	19,257,396
Total liabilities	202,276,758	192,001,233

Operating account	2017 CHF	2016 CHF
Regulatory benefits	15,152,683	16,422,097
Vested benefits, purchase amounts and one-time payments	4,674,296	3,333,394
Inflow from contributions and entry lump sum benefits	19,826,979	19,755,491
Retirement, survivors' and disability pensions	-8,201,771	-5,989,741
Termination benefits	-11,148,968	-17,084,187
Withdrawals for home ownership/divorce	-368,265	-545,418
Outflow for benefits and withdrawals	-19,719,004	-23,619,346
Increase in pension liability and actuarial reserves	-8,030,059	-3,147,760
Surplus share from insurance operations	32,665	38,196
Insurance premiums	-199,383	-227,862
Contribution to security fund	-7,065	-6,785
Net result of insurance activities	-8,095,867	-7,208,066
Net return on investments	14,547,067	6,565,178
Other income	17	18,475
Administration expenses	-289,804	-295,227
Decrease in value fluctuation reserve	-6,161,414	919,640
Income surplus	0	0

Investment strategy in %



Return on capital investments



Official bodies

Board of Trustees

(term of office 2017–2020)

Employer representatives

Alexander Mihajlovic (Chair)
Michael Rechsteiner
Peter Rosa

Employee representative

Hans-Jürg Harder (Vice Chair)

Audit committee

Martin Aronsky
Peter Rosa

General management (Avadis Vorsorge AG)

Jacky Baula, General Manager
Marion Fischer, Deputy General Manager

Authorised signatories

Alexander Mihajlovic
Hans-Jürg Harder
Peter Rosa
Jacky Baula (Avadis Vorsorge AG)
Marion Fischer (Avadis Vorsorge AG)
Lars Kleuke (Avadis Vorsorge AG)
René Siegrist (Avadis Vorsorge AG)

Occupational benefits expert

Olivier Kern, Pittet Associates AG, Bern

Auditors

KPMG AG, Zurich

Investment consultant

Hansruedi Scherer, PPCmetrics AG, Zurich

Supervisory authority

BVSA, Bureau of Occupational Benefits and Foundation Supervision Aargau, Aarau

Further information

The full annual report can be accessed at www.ge-vorsorge.ch. You may also order it (in German) from the General Electric Switzerland Supplementary Insurance Plan. The full annual report is legally binding.

General Electric Switzerland Supplementary Insurance Plan

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