
Financial report 2015

sanitas

Consolidated income statement

In TCHF	Annex	2015	2014
Premiums earned for own account		2 551 533	2 479 901
Paid indemnities and benefits		-2 677 171	-2 620 937
Cost shares received		298 866	293 520
Expense for indemnities and benefits		-2 378 305	-2 327 417
Change in technical provisions		-32 387	-44 462
Expense for indemnities and benefits for own account		-2 410 692	-2 371 879
Balance of risks between insurers		103 719	101 055
Surplus sharing with insureds		-1 338	-10
Operating expenses for own account	4	-216 487	-195 934
Income from investments	5	360 261	221 960
Expense for investments	5	-385 818	-100 464
Change in provisions for investment risks	5	32 800	-6 800
Result from investments	5	7 243	114 696
Other operating income	6	9 353	4 569
Other operating expense	6	-6 783	-3 140
Operating result		36 548	129 258
Extraordinary result	8	168	33
Consolidated earnings before taxes		36 716	129 291
Taxes		-17 635	-27 777
Consolidated result		19 081	101 514

Consolidated balance sheet

In TCHF	Annex	31.12.2015	31.12.2014
Assets			
Investments	10	2 644 090	2 681 181
Intangible assets	13	3 886	7 949
Tangible fixed assets	14	1 882	3 057
Prepayments and accrued income		77 975	80 023
Receivables	15	125 487	647 757
Liquid assets		363 490	281 838
Total assets		3 216 810	3 701 805
Liabilities			
Capital of the organisation		100	100
Capital reserves		85 406	85 906
Retained earnings		649 617	548 103
Consolidated result		19 081	101 514
Equity		754 204	735 623
Technical provisions for own account	16	1 817 223	1 784 837
Non-technical provisions	17	4 591	4 120
Provisions for investment risks	18	188 500	221 300
Deferred tax liabilities		52 798	16 066
Accrued liabilities and deferred income		41 021	61 921
Liabilities	19	358 473	877 938
Total liabilities		3 216 810	3 701 805

Consolidated cash flow statement

In TCHF	Annex	2015	2014
Consolidated result		19 081	101 514
Depreciation/appreciation on investments	10	62 227	-85 505
Depreciation/appreciation on intangible assets	13	5 198	6 314
Depreciation/appreciation on tangible fixed assets	14	1 895	2 568
Depreciation/appreciation on receivables	15	-840	-25
Change in technical provisions for own account	16	32 387	44 462
Change in non-technical provisions	17	471	2 145
Change in provisions for investment risks	18	-32 800	6 800
Increase/decrease in receivables	15	523 110	-49 250
Increase/decrease in prepayments and accrued income		2 048	-48 963
Increase/decrease in liabilities	19	-519 464	62 729
Increase/decrease in accrued liabilities and deferred income		15 831	-22 654
Cash flow from operating activities		109 144	20 135
Investments in tangible fixed assets	14	-721	-1 533
Net investments in investments	10	-25 136	-41 608
Investments in intangible assets	13	-1 135	-3 355
Cash flow from investment activities		-26 992	-46 496
Profit distribution to shareholders		-500	0
Cash flow from financing activities		-500	0
Total net cash flow		81 652	-26 361
Liquid assets opening amount at 01.01.		281 838	308 199
Liquid assets closing amount at 31.12.		363 490	281 838
Change in liquid assets		81 652	-26 361

Consolidated statement of changes in equity

In TCHF	Capital of the organisation	Capital reserves	Retained earnings*	Consolidated result	Total
Equity as at 01.01.2014	100	85 906	548 103	0	634 109
Annual result	0	0	0	101 514	101 514
Equity as at 31.12.2014	100	85 906	548 103	101 514	735 623
Distribution of profits from previous year	0	0	101 514	-101 514	0
Equity as at 01.01.2015	100	85 906	649 617	0	735 623
Other distributions	0	-500	0	0	-500
Annual result	0	0	0	19 081	19 081
Equity as at 31.12.2015	100	85 406	649 617	19 081	754 204
Distribution of profits in year under review	0	0	19 081	-19 081	0
Equity as at 01.01.2016	100	85 406	668 698	0	754 204

* The retained earnings include contingency reserves for KVG/LAMal of TCHF 360,811 (previous year: 339,035).

Consolidated segment income statement

2015						
In TCHF	Annex	KVG/LAMal	VVG/LCA	Other	Eliminations	Total
Premium income	1 854 576	715 574	0		-18 617	2 551 533
Reinsurers' share	-931	0	0		931	0
Premiums earned for own account	1 853 645	715 574	0		-17 686	2 551 533
Paid indemnities and benefits	-2 131 773	-545 398	0		0	-2 677 171
Cost shares received	287 085	11 781	0		0	298 866
Expense for indemnities and benefits	-1 844 688	-533 617	0		0	-2 378 305
Change in technical provisions	4 663	-37 050	0		0	-32 387
Indemnities and benefits for own account	-1 840 025	-570 667	0		0	-2 410 692
Balance of risks between insurers	103 719	0	0		0	103 719
Surplus sharing with insureds	-2	-19 111	0		17 775	-1 338
Operating expenses for own account	4	-107 777	-103 017	2 065	-7 758	-216 487
Income from investments	74 328	285 830	2 303		-2 200	360 261
Expense for investments	-78 669	-307 422	-4		277	-385 818
Change in provisions for capital investment risks	15 000	17 800	0		0	32 800
Result from investments	5	10 659	-3 792	2 299	-1 923	7 243
Other operating income	6	3 592	5 632	495	-366	9 353
Other operating expense	6	-2 204	-4 571	-8	0	-6 783
Operating result	21 607	20 048	4 851		-9 958	36 548
Extraordinary result	8	169	-1	0	0	168
Consolidated earnings before taxes	21 776	20 047	4 851		-9 958	36 716
Taxes		0	-17 038	-597	0	-17 635
Consolidated result	21 776	3 009	4 254		-9 958	19 081

2014							
In TCHF	Annex	KVG/LAMal	VVG/LCA	Other	Eliminations		Total
Premium income		1 778 445	719 262	0	-17 806		2 479 901
Reinsurers' share		-890	0	0	890		0
Premiums earned for own account		1 777 555	719 262	0	-16 916		2 479 901
Paid indemnities and benefits		-2 082 853	-538 084	0	0		-2 620 937
Cost shares received		282 241	11 279	0	0		293 520
Expense for indemnities and benefits		-1 800 612	-526 805	0	0		-2 327 417
Change in technical provisions		17 471	-61 934	0	0		-44 463
Indemnities and benefits for own account		-1 783 141	-588 739	0	0		-2 371 880
Balance of risks between insurers		101 055	0	0	0		101 055
Surplus sharing with insureds		0	-16 977	0	16 967		-10
Operating expenses for own account	4	-102 618	-96 886	2 153	1 417		-195 934
Income from investments		30 785	211 138	7 437	-27 400		221 960
Expense for investments		-2 681	-98 909	-7 873	8 999		-100 464
Change in provisions for capital investment risks		0	-6 800	0	0		-6 800
Result from investments	5	28 104	105 429	-436	-18 401		114 696
Other operating income	6	2 541	1 915	1 364	-1 251		4 569
Other operating expense	6	-1 057	-2 082	0	0		-3 139
Operating result		22 439	121 922	3 081	-18 184		129 258
Extraordinary result	8	33	0	0	0		33
Consolidated result before taxes		22 472	121 922	3 081	-18 184		129 291
Taxes		0	-27 336	-441	0		-27 777
Consolidated result		22 472	94 586	2 640	-18 184		101 514

Notes on the consolidated financial statement

1. Accounting and reporting principles

Financial reporting

The Swiss GAAP FER 41 financial reporting standard for the financial statements of single KVG/LAMal health insurers entered into force on 1 January 2012. The Sanitas Group has applied this standard to its financial reporting in conjunction with Swiss GAAP FER 30 (consolidated financial statements) since financial year 2011. The consolidated financial statement is presented in compliance with the following principles:

- Accounting in accordance with Swiss GAAP FER provides a true and fair view of a company's financial position, cash flows and results of operations.
- Swiss GAAP FER constitutes a comprehensive regulatory framework. All standards are applied in their entirety.

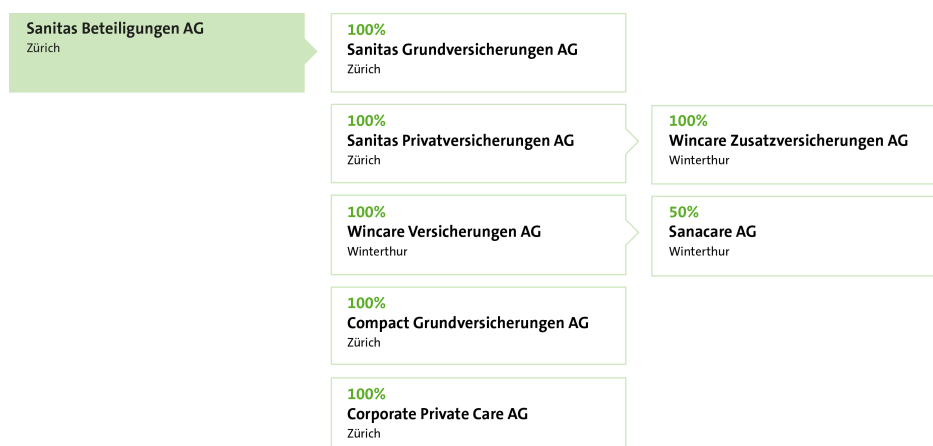
The Sanitas Group applies the Swiss GAAP FER reporting standards voluntarily.

2. Consolidation principles

The principles of consolidation and valuation set out below are an integral part of the financial report.

Scope of consolidation

The Group financial statements include all companies that are directly or indirectly controlled by Sanitas Beteiligungen AG. Control means exercising a decisive influence on the operational and financial activities in order to derive the corresponding benefit therefrom. This is usually the case if Sanitas Beteiligungen AG directly or indirectly holds more than 50% of the voting rights in a company. Companies acquired during the financial year are included from the date on which control over the business activities was transferred to Sanitas, and all companies divested of during the year are excluded from the Group financial statements from the date of sale. Therefore, the scope of consolidation is as follows for the Sanitas Group (unless specified otherwise the participation quota is 100%):



Consolidation method

Companies are included in the Group financial statements based on the full consolidation method. Capital consolidation is done using the Anglo-Saxon method (purchase method). Assets and borrowed capital of companies acquired are revalued at the time control changes in accordance with the Group principles. Unrealised gains and losses are carried under the relevant balance sheet items, and the remaining difference between the purchase price and goodwill calculated in accordance with the Group's accounting principles is fully amortised over five years. Any third-party interests in fully consolidated companies are disclosed separately as minority interests under equity and income. Companies in which Sanitas holds between a 20% and 50% stake are stated in the balance sheet at the value corresponding to the pro rata equity in line with the equity method. All other interests of less than 20% are reported at market value and recognised as investments. The market value is calculated on the basis of the statutory financial statements taking the hidden reserves into account. The valuation is made using the formula for calculating the corporate tax value. This applies to the following companies:

- Topwell-Apotheken AG, Winterthur
- Europ Assistance (Suisse) Holding SA, Vernier
- MediData AG, Root

Consolidation balance sheet date

The balance sheet date for all companies in the Sanitas Group is 31 December.

Intragroup transactions

All transactions between the consolidated companies are eliminated in the balance sheet and income statement.

Changes versus previous year

Fixed-term deposits with a term of up to 90 days are now recognised under liquid assets instead of fixed interest rate investments. The previous year has been adjusted accordingly.

3. Valuation principles

General valuation principles

Companies are valued in line with the standardised principles set out below. Any balance sheet items that are not listed and described below are recognised at market value.

Foreign currencies

There is no conversion of foreign currencies as part of the consolidation process, as there are no companies in the Sanitas Group that prepare their financial statements in foreign currencies. Foreign currency items are converted at the year-end exchange rates.

Intangible assets

Goodwill arising from the acquisition of subsidiaries and insurance portfolios is generally amortised over five years (in justified cases up to a maximum of 20 years) and assessed annually for impairment. Other intangible assets mainly include expenditure on projects and software, which are generally amortised over 3 years.

Investments

Real estate and properties. Real estate and properties are recognised at market value using the discounted cash flow (DCF) method. Properties are valued in a 3-year cycle. Newly acquired or self-built properties are reported in the balance sheet at cost and only valued using the DCF method after 3 years.

Fixed interest rate investments. These include fixed-term deposits, money market funds and

bonds. Fixed-term deposits and money market funds are recognised at market value. Bonds are valued using the amortised cost method, less any operationally necessary valuation allowances on items with a protracted loss of value. The creation or release of valuation allowances is shown under net investment income.

Shares and similar investments. Shares and similar investments are recognised at market value. Any changes are recorded in the income statement.

Derivatives. Derivative products (e.g. currency forwards and option contracts, market index certificates and futures) are valued at market value. Currency forwards and options are used for hedging against fluctuations in exchange rates and market prices and for more efficient management (preparing for acquisitions and enhancing earnings).

Loans. These are reported on the balance sheet at the nominal value less any necessary valuation allowances.

Assets from employer contribution reserves. The employer contribution reserves are reported in the Group financial statement at their nominal value and shown under investments. If no use is made of the employer contribution reserves, the reported nominal value is adjusted accordingly. The creation and release of valuation allowances are shown under personnel costs.

Other tangible fixed assets

Investments in tangible fixed assets are recognised at the lower of cost or economic value and depreciated on a linear basis over the course of their useful life. The following useful life expectancies apply:

- Fixtures and fittings: 5 years
- Hardware and software: 3 years

Receivables

Receivables are reported at their nominal value, less any valuation allowances.

Tax provisions

Current year taxes are calculated at the effective tax rate. The resulting provisions are shown under liability and accrued income. The annual accrual of the deferred taxes is based on a balance sheet perspective and considers all actual and future income tax effects (comprehensive liability method). Based on these calculations, the tax rate applicable for the year under review is 22%.

Technical provisions

The technical provisions for the VVG/LCA business are calculated based on the business plans approved by FINMA. The provisions for the KVG/LAMal business are based on the same principles.

Provisions for claims. Claim provisions, including provisions for claims handling expenses, are calculated using recognised technical methods. These provisions are an unbiased estimate of future undiscounted payments.

Old-age and transferee provisions. Old-age provisions and provisions for premium payments for transferees are calculated using the capitalised value method. The old-age provisions are calculated from the difference between the cash value of future claims and the cash value of future net premiums. The provisions for premium payments for transferees correspond to the cash value of future potential premiums from payments. The amount is calculated per insured in the form of an immediate annual advance on the life annuity. The mortality rate is taken from the current version of the mortality table published by the Swiss Federal Statistical Office (currently SM/SF 1998/2003). The lapse rate is factored into the calculation and the interest rate is 2%.

The old-age and transferee provisions include the old-age and migration provisions for Sanitas' semiprivate and private plans. These are financed by a method approved by FINMA until the level of ordinary old-age provisions is reached.

Family bonus. The provisions for the Family bonus correspond to the loyalty bonus which the children insured in the customer base have saved by the end of the year.

Provisions for surplus sharing. The provisions for surplus sharing correspond to the accumulated share of surpluses to be refunded in the year under review.

Technical equalisation and claims provisions. The technical equalisation and claims provisions of the existing business are used to factor in uncertainties in determining the technical provisions and for random fluctuations inherent in claims settlement. They serve to balance out unfavourable and advantageous developments in benefit costs and are created and released depending on the diversification, size and structure of the insurance portfolios. The guide value for the equalisation provisions is 10% of the premium revenues for the current year. The upper limit for provisions is the guide value plus 25%; the lower limit is zero.

Liabilities

This item mainly consists of obligations vis-à-vis customers and healthcare providers as well as premiums paid in advance. Liabilities are reported at their nominal value.

Non-technical provisions

Provisions for investment risks. The provisions for investment risks reflect the long-term volatility of the financial markets. Following a change in practice of the Zurich cantonal tax office, these provisions are now liable to tax. Deferred taxes have been calculated for the customer base. Sanitas does not intend to make further provisions for investment risks.

Information on consolidated income statement

4. Operating expenses for own account

In TCHF	2015	2014
Personnel expenses	-112 068	-98 560
Administration premises, site facilities	-11 705	-11 080
IT costs	-30 343	-30 988
Marketing, advertising and commission	-38 085	-33 100
Other administrative expenses	-16 960	-12 787
Depreciation	-7 326	-9 419
Total operating expenses for own account	-216 487	-195 934

5. Result from investments

2015			
In TCHF	Realised gains and losses	Unrealised gains and losses	Total
Income from investments			
Real estate and properties	15 464	2 299	17 763
Fixed interest rate investments	44 109	5 202	49 311
Shares and similar investments	51 646	6 707	58 353
Alternative investments	188	8 411	8 599
Collective investments	932	0	932
Derivative financial instruments	223 065	2 238	225 303
Total income from investments	335 404	24 857	360 261
Expense for investments			
Real estate and properties	-4 113	-2 741	-6 854
Fixed interest rate investments	-25 600	-31 059	-56 659
Shares and similar investments	-36 216	-19 608	-55 824
Alternative investments	-9 969	-562	-10 531
Collective investments	-1 615	-644	-2 259
Derivative financial instruments	-249 515	-485	-250 000
Administrative expense for investments	-3 691	0	-3 691
Total expense for investments	-330 719	-55 099	-385 818
Change in provisions for investment risks	0	32 800	32 800
Total result from investments	4 685	2 558	7 243

2014			
In TCHF	Realised gains and losses	Unrealised gains and losses	Total
Income from investments			
Real estate and properties	8 796	9 876	18 672
Fixed interest rate investments	28 486	23 874	52 360
Shares and similar investments	34 707	64 101	98 808
Alternative investments	265	4 039	4 304
Collective investments	189	264	453
Derivative financial instruments	45 114	2 249	47 363
Total income from investments	117 557	104 403	221 960

Expense for investments			
Real estate and properties	-1 275	0	-1 275
Fixed interest rate investments	-4 593	-290	-4 883
Shares and similar investments	-23 428	-2 490	-25 918
Alternative investments	-731	-1 132	-1 863
Collective investments	-115	-83	-198
Derivative financial instruments	-54 932	-8 160	-63 092
Administrative expense for investments	-3 235	0	-3 235
Total expense for investments	-88 309	-12 155	-100 464
Change in provisions for investment risks	0	-6 800	-6 800
Total result from investments	29 248	85 448	114 696

6. Other operating result

The other operating result is calculated from other operating income of CHF 9.3 million and other operating expenses of CHF -6.8 million. The other operating income primarily comprises interest revenue and currency gains on receivables and liquid assets as well as third-party brokerage fees. The other operating expenses primarily comprise goodwill payments and interest paid on liquid assets.

7. Non-operating result

No expenses or income were recorded for the non-operating result.

8. Extraordinary result

The extraordinary result comprises the annual payment from a court ruling and a one-off repayment from VAT credits.

9. Transactions with related parties

No significant transactions were made with related parties in financial year 2015.

Information on consolidated balance sheet

10. Investments

In TCHF	Real estate and properties	Fixed interest rate investments*	Shares and similar investments	Alternative investments	Collective investments**	Derivative financial instruments	Assets ECR***	Total
Market value	205 722	1 682 172	511 393	86 300	15 853	43 891	8 737	2 554 068
01.01.2014								
Increases	51 836	869 973	248 183	3 413	0	11 808	1 417	1 186 630
Decreases	-32 712	-824 378	-251 068	-6 579	-6 198	-24 086	0	-1 145 021
Change in current market values	8 982	18 140	61 487	2 442	254	-5 800	0	85 505
Market value	233 828	1 745 907	569 995	85 576	9 909	25 813	10 154	2 681 182
31.12.2014								
Increases	133 469	2 457 773	284 599	33 359	60 010	218 872	1 000	3 189 082
Decreases	-144 246	-2 372 666	-353 717	-26 027	-38 272	-220 262	-8 758	-3 163 948
Change in current market values	5 957	-37 167	-7 473	-1 932	-1 587	-20 024	0	-62 226
Market value	229 008	1 793 847	493 404	90 976	30 060	4 399	2 396	2 644 090
31.12.2015								

* Of which bonds at amortised cost TCHF 1,039,251 (as at 31.12.2014 TCHF 1,083,807). The market value of bonds is TCHF 1,063,976 (as at 31.12.2014 TCHF 1,119,706).

** Indirect investments comprising a single asset class are assigned directly to this category.

*** The employer contribution reserves are administered in the non-consolidated company AHS (old-age and survivors' foundation).

11. Derivatives

In TCHF	Purpose	Nominal	Active	Passive	Nominal	Active	Passive
		value	market	market	value	market	market
		31.12.2015	value	value	31.12.2014	value	value
			31.12.2015	31.12.2015		31.12.2014	31.12.2014
Interest rates							
Swaps	Hedging	0	0	0	0	0	0
Foreign exchange							
Forward transactions	Hedging	-6 014	0	0	-5 608	0	0
Structured products	Without hedging	0	0	0	20 000	0	-1 298
Market							
Options	Hedging	603	0	-279	2 004	98	-170
	Without hedging	518	147	-188	0	0	0
Futures	Hedging	255	409	0	0	39	0
	Without hedging	0	0	0	265	18	-241
Structured products	Without hedging	8 141	778	0	10 157	504	0
Other underlying assets							
Futures	Without hedging	0	29	0	0	45	0

12. Pension funds

Employer contribution reserve (ECR)

	Nominal value	Waiver of use per Balance sheet		Creator	Balance sheet	ECR result in personnel expenses	
		2015	31.12.2015			2015	2014
In TCHF	31.12.2015			2015	31.12.2014	2015	2014
Employer's fund	0	0	0	-9 154	9 154	-9 154	417
AHS (old-age and survivors' foundation)	2 396	0	2 396	1 396	1 000	1 396	1 000

Economic benefits / economic obligation and cost of pension provision

	Surplus/deficit as per	Economic proportion of the organisation		Change on previous year/immediate effect in FY	Contributions limited to period under review	Pension benefit expense in personnel expenses	
		31.12.2015	31.12.2014			2015	2014
In TCHF	31.12.2015	31.12.2015	31.12.2014			2015	2014
Employer's fund*	0	0	0	0	-9 154	9 154	-417
Pension plans with surplus**	0	0	0	0	27 646	27 646	9 208
Total	0	0	0	0	18 492	36 800	8 791

* No retirees or active insureds are affiliated with the employer's fund. There is therefore no need to calculate the level of cover.

** No economic benefits are gained from the existing surplus.

13. Intangible assets

2015		
In TCHF	Other intangible assets	Total
Net carrying amounts 01.01.2015	7 949	7 949
Cost values as at 01.01.2015	13 318	13 318
Increases	1 135	1 135
Decreases	-2 857	-2 857
Cost values as at 31.12.2015	11 596	11 596
Accumulated depreciation as at 01.01.2015	-5 369	-5 369
Scheduled depreciation	-4 388	-4 388
Extraordinary depreciation	-810	-810
Decreases	2 857	2 857
Accumulated depreciation as at 31.12.2015	-7 710	-7 710
Net carrying amounts 31.12.2015	3 886	3 886
2014		
In TCHF	Other intangible assets	Total
Net carrying amounts 01.01.2014	10 909	10 909
Cost values as at 01.01.2014	26 295	26 295
Increases	3 355	3 355
Decreases	-16 332	-16 332
Cost values as at 31.12.2014	13 318	13 318
Accumulated depreciation as at 01.01.2014	-15 386	-15 386
Scheduled depreciation	-6 314	-6 314
Extraordinary depreciation	0	0
Decreases	16 332	16 332
Accumulated depreciation as at 31.12.2014	-5 369	-5 369
Net carrying amounts 31.12.2014	7 949	7 949

14. Tangible fixed assets

2015

In TCHF	Fixtures & fittings	IT	Total
Net carrying amounts 01.01.2015	534	2 523	3 057
Cost values as at 01.01.2015	895	6 630	7 525
Increases	225	496	721
Decreases	6	-4 509	-4 503
Cost values as at 31.12.2015	1 126	2 617	3 743
Accumulated depreciation as at 01.01.2015	-361	-4 107	-4 468
Scheduled depreciation	-180	-1 715	-1 895
Decreases	-6	4 508	4 502
Accumulated depreciation as at 31.12.2015	-547	-1 314	-1 861
Net carrying amounts 31.12.2015	579	1 303	1 882

2014

In TCHF	Fixtures & fittings	IT	Total
Net carrying amounts 01.01.2014	967	3 124	4 091
Cost values as at 01.01.2014	3 984	5 204	9 188
Increases	107	1 426	1 533
Decreases	-3 196	0	-3 196
Cost values as at 31.12.2014	895	6 630	7 525
Accumulated depreciation as at 01.01.2014	-3 017	-2 080	-5 097
Scheduled depreciation	-541	-2 027	-2 568
Decreases	3 197	0	3 197
Accumulated depreciation as at 31.12.2014	-361	-4 107	-4 468
Net carrying amounts 31.12.2014	534	2 523	3 057

15. Receivables

In TCHF	31.12.2015	31.12.2014	Change
Policyholders	124 664	623 083	-498 419
Del credere on receivables from policyholders	-14 981	-15 821	840
Insurance organisations	52	81	-29
Agents and intermediaries	175	436	-261
Related parties	62	0	62
Public authorities	11 789	35 184	-23 395
Other receivables	3 726	4 794	-1 068
Total receivables	125 487	647 757	-522 270

16. Technical provisions for own account

In TCHF	Provisions for claims	Provisions for future surplus sharing with insureds	Equalisation provisions	Other technical provisions			Total
				Old-age and migration provisions	Transferee provisions	Family bonus	
As at 01.01.2014	585 388	961	145 500	884 381	120 409	3 735	1 740 374
Creation	0	1 695	0	174 525	0	60	176 280
Release	-13 997	0	-115 814	0	-2 006	0	-131 817
As at 31.12.2014	571 391	2 656	29 686	1 058 906	118 403	3 795	1 784 837
Creation	0	0	0	52 912	0	169	53 081
Release	-10 313	-8	0	0	-10 374	0	-20 695
As at 31.12.2015	561 078	2 648	29 686	1 111 818	108 029	3 964	1 817 223

Premium transfers: As at 31.12.2015 there are no premium transfers in the technical provisions.

17. Non-technical provisions

In TCHF	Personnel	Other	Total
As at 01.01.2014	75	1 900	1 975
Creation	1 595	550	2 145
Release	0	0	0
As at 31.12.2014	1 670	2 450	4 120
Creation	0	575	575
Release	-104	0	-104
As at 31.12.2015	1 566	3 025	4 591
Of which short-term provisions	1 566	3 025	4 591

18. Provisions for investment risks

In TCHF	KVG/LAMaI	VVG/LCA	Total
As at 01.01.2014	25 000	189 500	214 500
Creation	0	6 800	6 800
Release	0	0	0
As at 31.12.2014	25 000	196 300	221 300
Creation	0	0	0
Release	-15 000	-17 800	-32 800
As at 31.12.2015	10 000	178 500	188 500

19. Liabilities

In TCHF	31.12.2015	31.12.2014	Change
Policyholders	247 743	767 127	-519 384
Reinsurers	0	229	-229
Healthcare providers	105 579	100 154	5 425
Agents and intermediaries	1 977	4 188	-2 211
Related parties	93	1 187	-1 094
Other liabilities	3 081	5 053	-1 972
Total liabilities	358 473	877 938	-519 465

Long-term liabilities: as at 31.12.2015 there are no long-term liabilities.

20. Events after balance sheet date

To the best of our knowledge, no significant events occurred after the balance sheet date.

Report of the statutory auditor

to the General Meeting of Sanitas Beteiligungen AG, Zurich

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Sanitas Beteiligungen AG, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity, segment income statement and notes, for the year ended 31 December 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation 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 and fair presentation 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 31 December 2015 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.

Other Matter

The consolidated financial statements of Sanitas Beteiligungen AG for the year ended 31 December 2014 were audited by another firm of auditors whose report, dated 23 March 2015, expressed an unmodified opinion on those statements.

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 article 11 AOA) 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.

PricewaterhouseCoopers AG

Peter Lüssi
Audit expert
Auditor in charge

Dominique Schneylin
Audit expert

Zurich, 30 March 2016