UNITED NATIONS GENEVA

2023 Annual Report

International Civil Servants' Mutual Associations of United Nations and Specialized Agencies, Geneva

icsma

la mutuelle

gpafi

icsma
International Civil Servants'
Mutual Associations of United Nations
and Specialized Agencies, Geneva

NOTICE OF
THE 2024 ORDINARY GENERAL ASSEMBLY

Dear Member,

La Mutuelle and GPAFI being entities of the International Civil Servants Mutual Associations (ICSMA), you are invited to participate to ICSMA' Ordinary General Assembly, to be held on:

Tuesday 18 June 2024 at 12:00pm
room XXIII, Palais des Nations

The agenda items are the following:

1. Election of the Chairman of the Assembly;
2. Report of the Board of Directors for 2023;
3. Presentation of the financial statements at 31 December 2023;
4. Report of the Oversight body for 2023;
5. Approval of the 2023 Financial statements;
6. Approval of the distribution of the revenue for the 2023 financial year of La Mutuelle 's CHF Fund;
7. Feedback on the integration of GPAFI into ICSMA's structure;
8. Report on ICSMA's activity at the end of the first half of 2024;
9. Other business.

A cocktail will be offered to participants at the end of the meeting.

To facilitate your entry into the compound of the Palais, we recommend that you bring this notice with you. If you would like us to announce you to Security, please call us on +41 22 917 35 10 or send us an e-mail to lamutuelle@un.org.

While looking forward to meeting you soon we remain,
Yours sincerely.

Prisca CHAOUI
Secretary, ICSMA Board of Directors

TABLE OF CONTENTS

Designed and Printed at United Nations, Geneva – 2400538 **(E)** – Mai 2024 – 720 – **AMFI/2024/2**

ORGANS OF ICSMA

From left to right: Ms. Marie-Pierre Fleury, Mr. Hugues Noumbissie, Ms. Myriam Foucher, Mr. Giovanni Pizzini, Ms. Nataliya Myronenko, Mr. Krishnavarahan Adhivarahan, Ms. Prisca Chaoui, Mr. Benjamin Hauser.

BOARD OF DIRECTORS

Appointed by the Director-General of the United Nations Office at Geneva:

President	Mr. Giovanni Pizzini (Mr. Thomas Neufing until December)	Chief, Medical Insurance Section, UNOG
Vice-President	Ms. Nataliya Myronenko	Chief of Service, Human Resources Management, UNOG

Elected by the ICSMA Ordinary General Assembly:

Treasurer	Mr. Benjamin Hauser	Senior Finance and Budget Officer, UNOG
Member	Ms. Myriam Foucher	Human Resources Officer, UNOG
Member	Mr. Hugues Noumbissie	Programme Management Officer, UNOG

Appointed by the Staff Coordinating Council of the United Nations Office at Geneva:

Secretary	Ms. Prisca Chaoui	Senior Interpreter, UNOG

Representative of an affiliated organization:

Vice-Treasurer	Mr. Krishnavarahan Adhivarahan	Finance Officer, WMO

LA MUTUELLE EXECUTIVE SECRETARY AND GPAFI OFFICER-IN-CHARGE

Ms. Marie-Pierre Fleury

REPRESENTATIVES OF AFFILIATED ORGANIZATIONS

ILO	Mr. Sylvain Delaprison
UNICEF	Ms. Tetyana Bazylevska Mr. Adam Dobrogowski until June
IMO	To be designated Ms. Ingrid Lopez-Cardona until May
WIPO	Ms. Janice Cook Robbins
UNEP	To be designated
ITU	Ms. Subira Suedi
HCR	Mr. Christophe Duverger
WTO	To be designated Ms. Hélène Reyboubet until September
WMO	Mr. Krishnavarahan Adhivarahan
WHO	Mr. Yoshiyuki Matsuo
IPU	Ms. Andrée Lorber-Willis
IOM	Ms. Petra Van Boxel

MEMBERS OF THE INVESTMENT COMMITTEE

Mr. Benjamin Hauser
Mr. John Breckenridge
Ms. Marie-Pierre Fleury
Mr. Krishnavarahan Adhivarahan
Mr. Adam Dobrogowski
Mr. Patrick Humair
Ms. Tetyana Bazylevska
Mr. Joerg Weber until May
Mr. Benito Vazquez

MEMBERS OF THE CREDIT COMMITTEE

Mr. Giovanni Pizzini
Ms. Myriam Foucher
Mr. Krishnavarahan Adhivarahan
Ms. Nataliya Myronenko
Mr. Hugues Noumbissie
Mr. Benjamin Hauser
Ms. Prisca Chaoui

THE OVERSIGHT BODY

PricewaterhouseCoopers SA represented by

Mr. Patrick Wagner
Mr. Jonathan Darbellay

REPORT FROM THE BOARD OF DIRECTORS

Dear Members,

In an environment where good news is not currently abundant, the Board of Directors is pleased to start this report by mentioning that the Association continues to perform well, and that 2023 was a very good year for its two entities, La Mutuelle and GPAFI.

First of all, 2022 was a bad year, but only for the Association's investments due to a rise in interest rates which had a negative impact on their valuation (CHF - 9,483,000). As the Board explained at the time, this decline was only temporary since the bonds are reimbursed at 100% on maturity. In 2023, thanks to a more favorable bond market and stable interest rates, the sum of CHF 3,049,000 has already been recovered, and this recovery, coupled with the rise in income from operations, has enabled the Association to report an increase in income of 1,314%, from CHF 1,070,000 to CHF 15,132,000. With expenses up only slightly (5%), due to the increase in the remuneration offered to members on the CHF deposit account discussed below, the surplus income thus amounts to CHF 4'706'000 (CHF - 8'856'000 in 2022).

Having always opted for prudence, the Board of Directors believes that the significant withdrawal from the extraordinary reserve Fund (CHF 9,844,000), made in 2022 to enable the distribution of an interest of 0.50% and a bonus of 0.85% on the CHF deposit account to members, should not be forgotten when determining the dividend for the 2023 financial year, hence the proposal to remunerate the CHF deposit accounts at 1.40%, while reinvesting the surplus of La Mutuelle's CHF Fund, i.e. CHF 3,855,000, to the extraordinary reserve Fund. Even if the Central Banks wish to lower interest rates to avoid a recession, which would be favorable to the Association's investments, the fact remains that prices are still very high, geopolitical tensions are numerous, and generally speaking, pessimism is the order of the day, particularly with regard to the risk of further financial shocks. It should be noted, however, that the Swiss inflation rate has eased over the last twelve months, from 3.30% to 1.30% today, which is good news.

2023 saw a slight decline in member's deposits, mainly due to the takeover of Credit Suisse by UBS. The Board indicated at that time that the Association was not financially affected by this takeover, and this is confirmed by the results presented in this annual report. Housing loans (granted to members) were up sharply by 15.95%, and demand was mainly linked to the purchase and construction of real estate, as well as to the repayment of existing loans. It should be noted that the interest rate offered by La Mutuelle on loans has not changed, despite the rise recorded on the financial markets, and that a change is currently not on the agenda. The principle of solidarity between borrowing members and depositors is fundamental, and striking the right balance is also a way of achieving the goal of stability. The end of negative interest charged by banks has also made it possible to lift the freeze on deposits into the CHF current account and to offer an interest rate of 0.10%, which is often higher than that the one proposed by banks for the same type of account.

In the case of La Mutuelle's USD Fund, the rise in interest rates has enabled to reinvest the cash in higher-yielding assets, to double income compared with 2022 and to pay a higher interest on accounts, which has risen from 0.40% to 1.50% since 1 July (2% for the first quarter of 2024). It should be remembered that, unlike the CHF Fund, the USD Fund's income comes solely from investment returns, and that high interest rates ensure the USD Fund's long-term viability. Investments are therefore made with a medium-to-long-term horizon in order to benefit from high interest rates.

In 2023, GPAFI recorded a general increase in insurance contracts for members and their families. Although the surplus income is lower than in 2022, this situation was expected due to the temporary freezing of the membership fee of CHF 1 per insurance contract per month (CHF 179,000 in 2022), as requested by the Board which wished to redistribute part of the surplus income to members. With regard to life insurance, and as mentioned last year, the SwissLife contract was terminated by GPAFI on 31 December 2023 due to SwissLife's inability to guarantee the continuity of coverage. Thus, during the year under review, GPAFI ensured that policyholders, who wished so, were able to access permanent individual coverage from La Mobilière, sometimes with better terms.

As every year the external auditors, PricewaterhouseCoopers SA, asked 25 depositing members to verify the balance of their account(s) at 31 December 2023 in order to test the absence of fraud within La Mutuelle. The response rate recorded was 92%, with 23 out of 25 members responding and confirming the veracity of their accounts. We would like to remind the utmost importance of the members' cooperation in this annual process, which is part of our risk minimization strategy. PricewaterhouseCoopers SA also carried out two audits for which no remarks other than those already known and relating to the IT system were highlighted. It should be noted that the mandate of the Auditors expired during the year, and that PricewaterhouseCoopers SA won the contract following a call for tenders. In accordance with the Board of Directors' wishes, if an auditing firm, whose mandate is coming to an end, were to be reappointed following a new call for tenders, the auditing team would have to be replaced entirely, which was the case.

The changeover of the IT system has already begun and should be completed in 2026. Its development will enable to propose a unique product tailored to the needs of our members and the Association. We will keep you informed as the project progresses.

The Association was pleased to welcome a new member organization, the United Nations Institute for Training and Research (UNITAR). Staff members of this organization can now benefit from the services of La Mutuelle and GPAFI.

In 2023 two changes within the Board of Directors occured. After five years on the Board Mr. Thomas Neufing, Chairman, considered that he had fulfilled his objectives and wished to hand over to another director, with effect from 1 January 2024. As Mr. Neufing is the UNOG Director-General's representative to the Board, Ms. Tatiana Valovaya appointed Ms. Nataliya Myronenko, Head of Human Resources Management, UNOG, as her new representative.

She now holds the position of Vice-President, while Mr. Giovanni Pizzini, then Vice-President, has been appointed President. As for the position held by the Representative of an affiliated organization, a mandate entrusted to Mr. Adam Dobrogowski of UNICEF, according to the principle of rotation it was allocated, a few months late, to the WMO. The latter appointed Mr. Krishnavarahan Adhivarahan, Finance Officer, who serves as Vice-Treasurer. It should be noted that the current distribution of the Board of Directors also allows the integration of gender perspectives and ensures the almost equal participation of women and men.

It is within a very difficult environment that we will cross 2024 with, notably, the liquidity crisis within the United Nations, a downsizing process at UNHCR, geopolitical conflicts, important forthcoming elections in some countries, and persistently high inflation. Let us dare, however, to hope that the effects of these events will be as minimal as possible, and that a little stability can finally be guaranteed, like that before the pandemic.

REPORT FROM THE CREDIT COMMITTEE

If 2022, which followed the long pandemic period, had already seen a significant rebound in loan applications, 2023 continued this upward trend with an acceleration in interest for this service. In fact, during the year, housing loans granted amounted to CHF 38,330,000, an increase of +15.95%, and concerned, in particular, secondary residences, the major part of loans granted (54%), as well as main residences (19%). It should also be noted that La Mutuelle's current housing loan interest rate of 3.50%, including death/disability insurance, prompted many members to refinance their external debt (11%). Outstanding loans at 31 December are up 7% versus 2022.

Ordinary loan applications were slightly down compared to 2022 (-1.26%), but outstanding loans at year-end were up by 1.99%. It should be emphasized that the current high level of prices is curbing consumer spending and encouraging borrowers to be more cautious in managing their budgets, especially as we do not currently see the end of the inflationary period.

Generally speaking, interest rates rose during the year under review, prompting financial institutions to pass on this movement to borrowers. To guarantee stable results, minimize risk, and maintain a balance between depositor and borrower members, the Board of Directors does not systematically follow these market movements when setting the loan interest rates. Indeed, when the downward trend began in 2010, it decided to keep interest rates unchanged until 2016, when a downward adjustment was made for the ordinary loan only. This strategy made it possible to face a period of 8 years of negative interest in the best possible way, and to post stable and positive results despite this high burden to pay and the considerable drop in investment income. Similarly, the Board of Directors believes that the current upward trend in Swiss interest rates does not, at present, require any adjustment to those proposed by La Mutuelle, and that no change is planned for the medium term. It is therefore likely that demand for loans, especially for housing, will continue to be strong in 2024, but the climate of uncertainty in which we live also argues for a strengthening of savings to be able to cope with any unexpected situation. Refinancing loans on more favorable terms is also a way for members to save money, particularly by reducing monthly charges.

During 2023, the Credit Committee unfortunately had to exclude 7 members from La Mutuelle due to false declarations made when submitting a loan application. The relationship between La Mutuelle and its members is, above all, based on mutual trust, and the utmost transparency is expected of the latter so that La Mutuelle can fulfil its mutual assistance mandate the best possible way. It is not acceptable for a member to certify that he or she has declared his or her financial situation in accordance with reality when this is not the case. In the event of a loan being granted, this could have dramatic consequences, putting a member in a situation of over-indebtedness. And the Credit Committee's responsibility could then be clearly engaged. The exclusions notified over the last few years unfortunately show that La Mutuelle's regular checks on applicants' financial situation have become necessary. Let's remind that the Association is at the disposal and listens to its members, support them in the process of reducing their debt or optimizing budgets, without any judgement whatsoever, and to help them through sometimes difficult times.

REPORT FROM THE INVESTMENT COMMITTEE

Unfortunately, the geopolitical situation did not evolve favorably in 2023, quite the contrary. And the start of 2024, which is also an election year for several countries, reinforces this feeling of uncertainty and fear. Against this backdrop, we are not immune to high volatility on the financial markets, and investment management is very difficult.

In 2023, Central Banks maintained their restrictive policies, in line with expectations, in order to fight inflation. Significant interest rate rises were recorded in the USA (+1%) and Europe (+2%). In Switzerland, the Swiss National Bank (SNB) followed this upward trend, which resulted in the end of negative interest, with the rate rising from -0.25% to 1.75%. Although this measure helped to slow price rises considerably over the period, it should be noted that inflation remains relatively high, reaching 4% in the USA and 3.6% in Europe. Switzerland seems to be relatively unaffected by inflation, which has reached an annual average of 2.1% in 2023 versus 2.8% in 2022, helped, however, by a strong Swiss franc. The US Federal Reserve (FED) and the European Central Bank (ECB) have already announced that they will not ease their policy of high interest rates until inflation is as strong. Juggling inflation and the risk of recession will also be very complicated.

From an investment point of view, 2023 was a much better year than 2022. Lower inflation, coupled with a correction in the undervaluation of bonds recorded in 2022, led to a rebound in bonds, generating a result of 3.42%. With regard to management mandates, the 3% performance recorded enabled us to reduce the provision for losses by CHF 2,953,000. The difference with the book value amounts to CHF -5'162'000 at 31 December. As the securities also performed well, a reversal of provision of CHF 96,000 is recognized in the financial performance.

Thanks to the rise in interest rates, bank interest on cash and cash equivalents increased by 881%, from CHF 113,000 to CHF 1,109,000.

From a detailed point of view, the entities' results are as follows:

1. La Mutuelle CHF Fund:

Revenues rose from CHF -894,000 to CHF 12,976,000, thanks to a good performance of investments and growth in outstanding loans. Expenses rose by 1.90%, from CHF 8,950,000 to CHF 9,121,000, due to interest credited to the CHF current account and an increase in the provision for interest payments on the members' deposit accounts.

In view of the significant increase in income, the Board of Directors wishes to reallocate the gains on securities and management mandates to the extraordinary reserve Fund to partially offset the withdrawal of CHF 9,843,000 in 2022, and to propose a CHF deposit account remuneration rate of 1.40%, split between an interest rate of 0.75% and an exceptional bonus of 0.65%. This proposal is slightly higher than that paid in 2022 and allows to minimize risk thanks to the allocation to the extraordinary reserve Fund which, in a context of instability, seems important.

Even if the comparison of the Libor/Saron interest rate with the rate and bonus proposed by La Mutuelle, represented by the graph displayed in the "Main results" section, shows that since 2023 the remuneration is now lower on La Mutuelle's side, it should not be forgotten that, when Swiss rates were negative, i.e. since 2015, the return paid on members' CHF deposit accounts has always been positive and significantly high. On top of that, no other financial institution currently offers such an attractive rate of interest on a savings account and thus without restrictions (notice of withdrawal, regular payments, minimum holding period, etc.).

Generally speaking, diversification of assets into different asset classes (cash, bonds, securities, management mandates and member loans) is important to minimize risk. Loans to members represent the best possible allocation, since they generate much higher income than other investments (CHF 7,122,000) with considerably lower risk. Consequently, the fact that 46.06% of members' deposits are lent to other members is an excellent result, which also further fulfils the Association's statutory aim of mutual assistance.

2. La Mutuelle USD Fund:

As for the CHF Fund, the USD Fund benefited from the rise in interest rates, with income from cash and cash equivalents up 337%, from USD 75,000 to USD 328,000. The Investment Committee is also reviewing the investment policy to take into account changes in the financial markets. The guiding principles will nevertheless be maintained, namely capital preservation while minimizing risk. This project will be finalized later this year. Expenses rose due to the increase in the remuneration offered to members on the USD account (from 0.40% to 1.50% from 1 July). The surplus increased to USD 316,000 and will be allocated to the ordinary and extraordinary reserves Funds. It should be noted that the Board of Directors has raised the interest rate on the USD account to 2% from 1 January 2024.

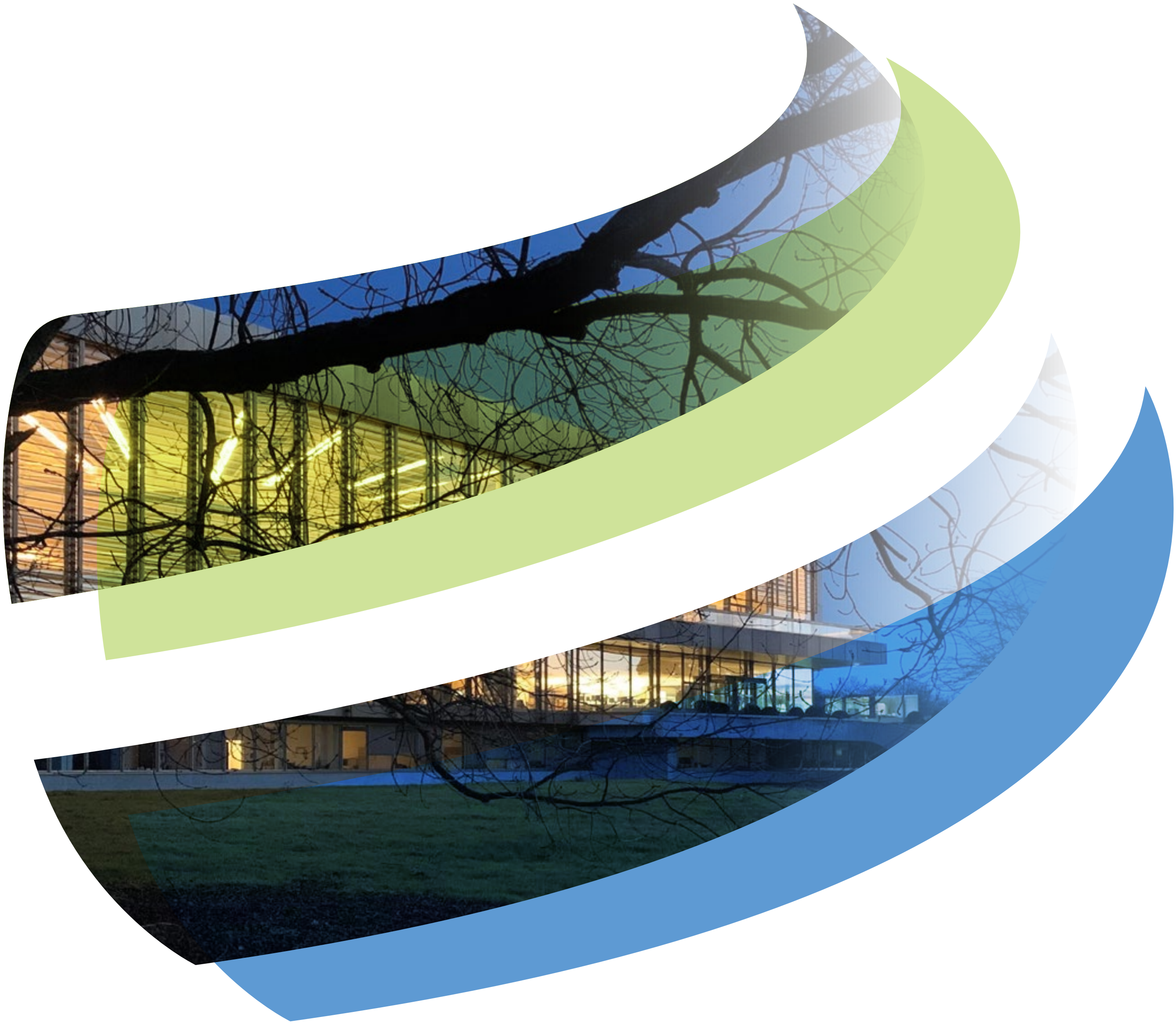
3. GPAFI

The rise in insurance enrollments, mainly for the complementary health insurance, generated a 5% increase in commissions received from insurers. On the other hand, as expected, other income fell by 78% following the temporary freeze of the CHF 1 membership fee per insurance contract per month, generating a 6% decrease in total income for the year. The 33% increase in expenses is due to the unrealized loss arising from the valuation, in CHF, of the USD-denominated Trust Fund. The surplus for the year fell by 40%, in line with the Board's expectation that part of it should be redistributed to members. Given that the CHF 1 membership fee will also be frozen in 2024, this trend is likely to continue.

The Association is currently working on the changeover of the two IT systems (Mutuelle and GPAFI), the cost of which, estimated at CHF 3,500,000, will be borne by the extraordinary reserves Funds of La Mutuelle and GPAFI, hence the importance of maintaining them at sufficiently high levels, especially knowing that costs are likely to increase during the course of the project due to the scale of the changeover and the unforeseen events that will have to be dealt with, as in any similar project.

The Investment Committee is also reviewing the investment policy to take account changes in the financial markets. The guiding principle will nevertheless be maintained, namely capital preservation while minimizing risk. This project will be finalized later this year.

MAIN RESULTS FOR YEAR 2023



MAIN RESULTS FOR YEAR 2023

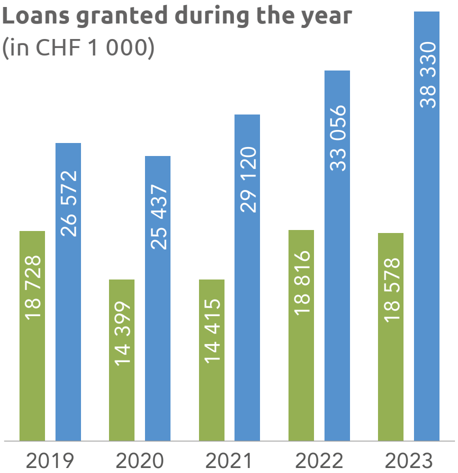
LA MUTUELLE

Loans to members

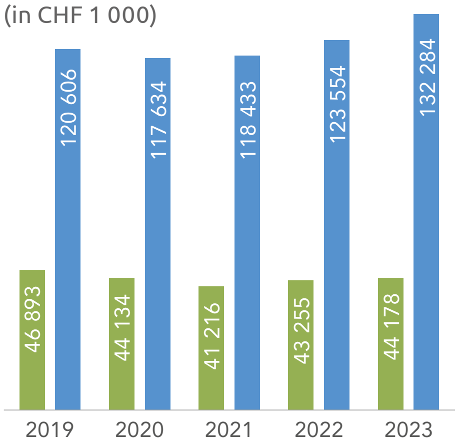
Housing loans granted to members during the year are up by 15.95% (+13.52% in 2022). Demand has been very strong particularly for the purchase of secondary residences or the repayment of existing loans as the current interest rate is attractive compared with that offered by banks. On the other hand ordinary loans granted are slightly down by -1.26% (+30.53% in 2022).

Outstanding loans at year-end increased by 7.09% (+4.35% in 2022) for the housing loan and 1.99% (+5.18% in 2022) for the ordinary loan.

Loans granted during the year
(in CHF 1 000)



Outstanding loans at year-end
(in CHF 1 000)



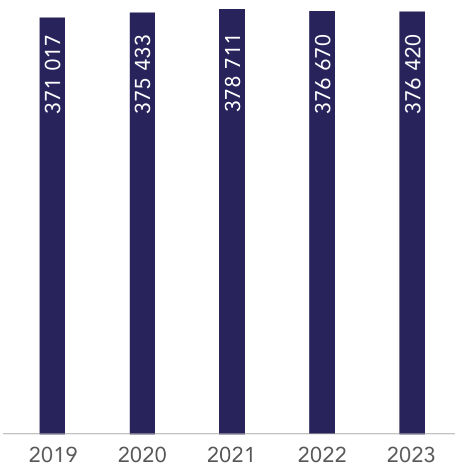
Ordinary loans

Housing loans

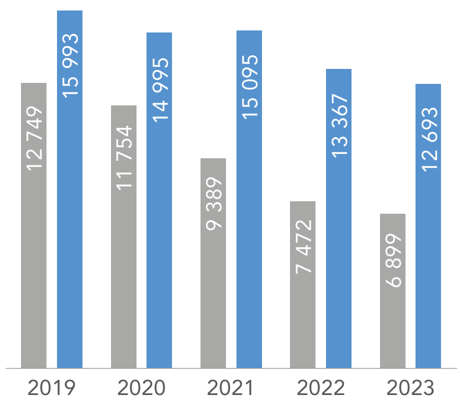
Members' deposits

Members' CHF deposit accounts, CHF current accounts and USD accounts decreased during the year by respectively 0.07% (-0.54% in 2022), 7.67% (-20.42% in 2022) and 5.04% (-11.45% in 2022).

CHF deposit accounts at year-end (in CHF 1 000)



CHF and USD current accounts at year-end (in 1 000)



CHF deposit accounts

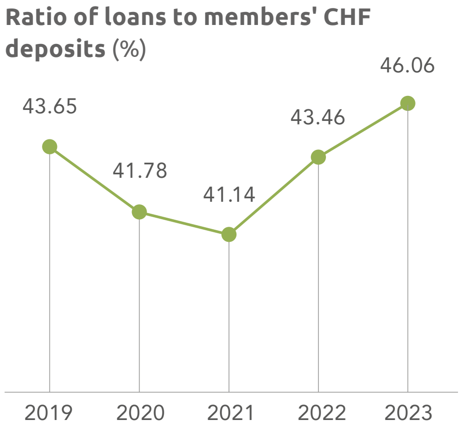
CHF current accounts

USD current accounts

Ratio of loans to members' CHF deposits (in %)

The significant increase in outstanding loans combined with a slight decline in members' deposits had an upward impact on the loans to members' CHF deposits ratio.

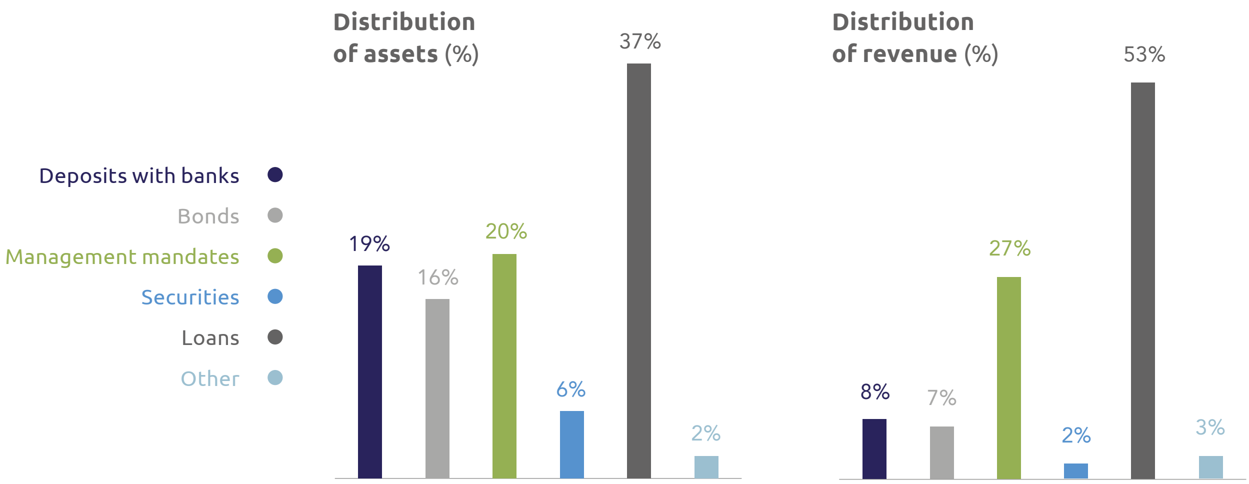
At 31 December 2023 the assets that members have deposited with La Mutuelle are loaned at 46.06%.



Revenue

Revenue for the year 2023 was primarily generated by the loans granted to members, bond portfolios managed by La Mutuelle and management mandates:

- Loans granted to members represent 37% of total assets and generated 53% of the revenue;
- Bond portfolios represent 16% of total assets and generated 7% of the revenue;
- Securities represent 6% of total assets and generated 2% of the revenue;
- Management mandates represent 20% of total assets and generated 27% of the revenue. It should be noted that unrealized gains on management mandates represent 22% of the revenue;
- Deposits made with banks represent 19% of total assets and generated 8% of the revenue.



Interest rates

Interest rates applied during the year 2023

Housing loan
3.5%

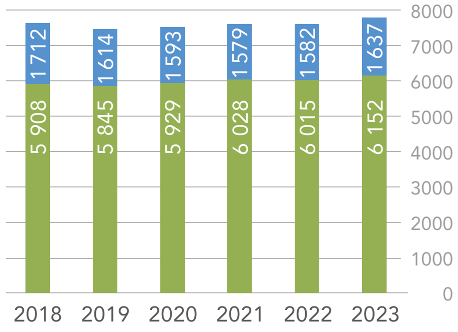
Ordinary loan
5.9%

CHF current account
0% until 30 June
0.1% from 1 July

USD current account
0.4% until 30 June
1.5% from 1 July

Evolution of the members

Evolution of the members



Membership slightly increased in 2023.

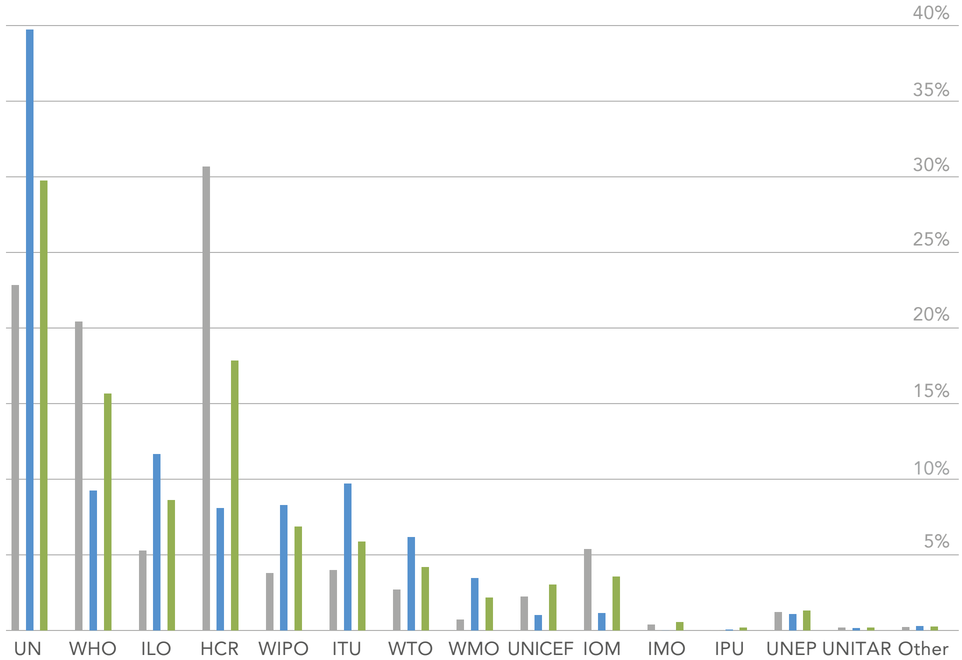
Members' resignations were made as follows:

1. Voluntary resignations: 34%
2. The closing of dormant accounts: 22%
3. End of contract: 33%
4. Death: 11%

La Mutuelle welcomed 395 new members (326 in 2022).

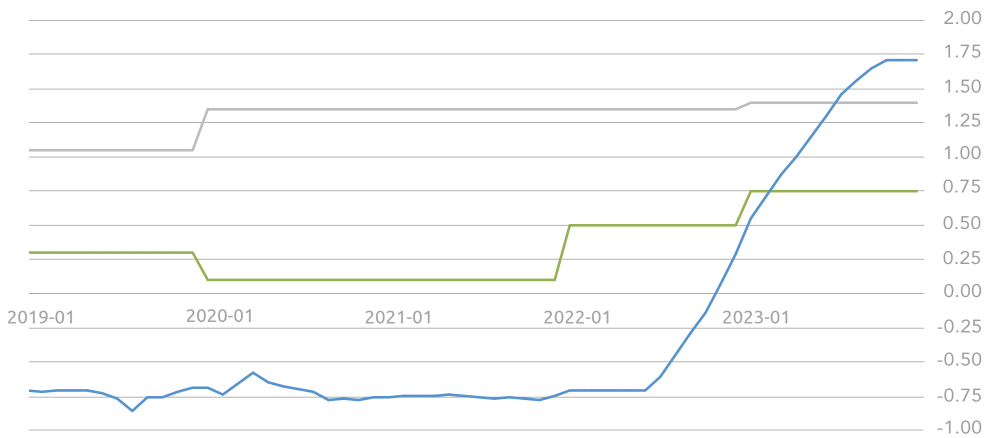
Statistics

Distribution of loans, deposits and members per organization (%)



Comparison

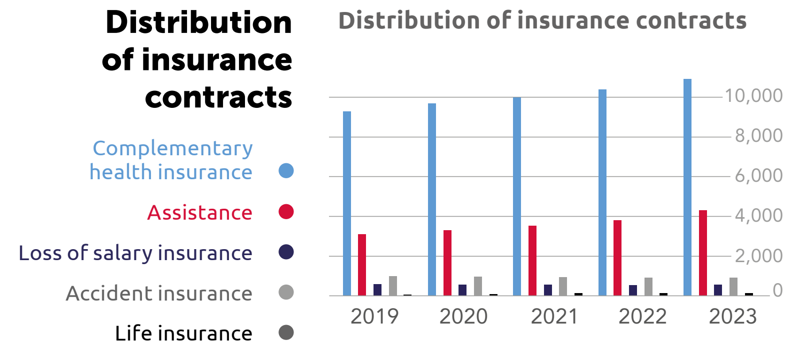
Comparison 3 month CHF Libor / Saron interest rate - Interest rate on La Mutuelle's CHF deposit account



MAIN RESULTS FOR YEAR 2023

GPAFI

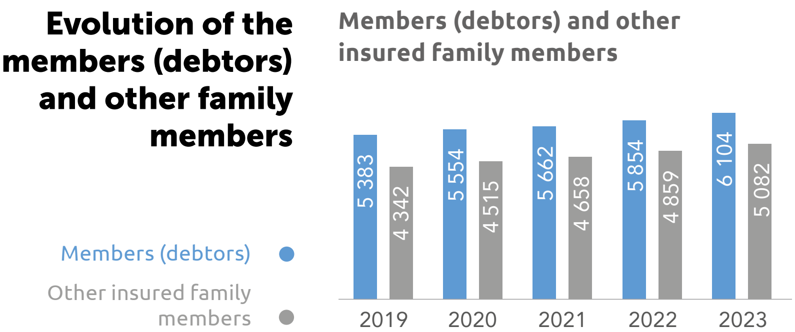
Distribution of insurance contracts

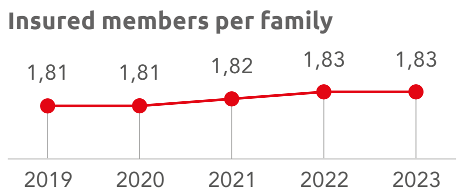


Insurance affiliations evolved as follows in 2023 compared to 2022:

a. Complementary health insurance: +5%
b. Assistance insurance: +13%
c. Loss of salary insurance: +5%
d. Accident insurance: +2%
e. Life insurance: +1%

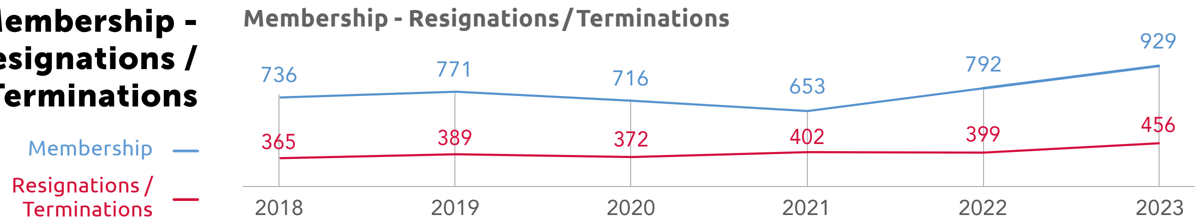
Evolution of the members (debtors) and other family members



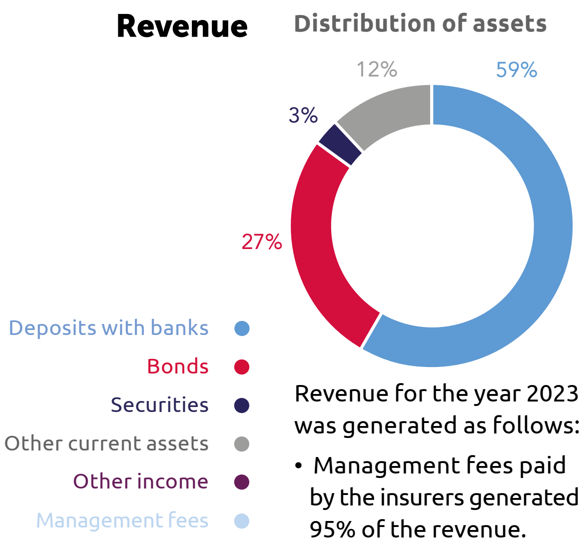


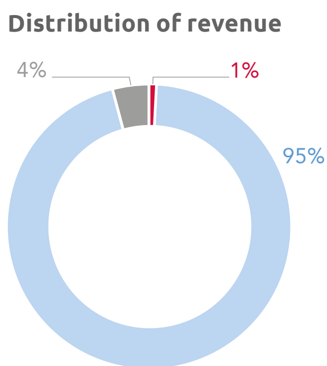
The number of GPAFI members (debtors) increased by 4.27% in 2023 (+3.39% in 2022) generating an increase of their family members by 4.59% (+4.32% in 2022).

Membership - Resignations / Terminations



Revenue





Revenue for the year 2023 was generated as follows:

- Management fees paid by the insurers generated 95% of the revenue.
- Deposits with banks represent 59% of total assets and generate no revenue.
- Bond portfolios represent 27% of total assets and generate 1% of the revenue.
- Securities represent 3% of total assets and generate no revenue.
- Other current assets represents 12% of total revenue and generate 4% of the revenue.

It must be noted that the membership fees of CHF 1 per active insurance contract and per month were not charged to members in 2023.

PROPOSAL OF THE BOARD OF DIRECTORS REGARDING THE RESULT OF LA MUTUELLE'S CHF AND USD FUNDS

Although La Mutuelle does not levy tax on the remuneration paid on the accounts, members are individually responsible for compliance with tax laws applicable to them, and must declare the deposits they have and the remuneration they receive if required by law. La Mutuelle processes verifications of the respect of this mandatory rule for all depositors.

CHF Fund

Taking into account the results of the 2023 financial year the Board of Directors recommends to the General Assembly the following distributions:

1. **Proposal of interest rate on the CHF deposit accounts for 2023: 0.75% net;**
2. **Distribution of an exceptional bonus on the CHF deposit accounts for 2023: 0.65% net;**
3. **Allocation of the surplus income to the extraordinary reserve Fund:**

   The Board of Directors proposes to allocate the surplus income recorded at 31 December, i.e. CHF 3 855 471.80, generated by the investments performance, to the extraordinary reserve Fund in order to partially offset the withdrawal of CHF 9 843 862.58 which had been made in 2022 to deal with the latent loss recorded on investments.

The breakdown of remuneration would be as follows:

Interest on CHF deposit accounts (0.75%)	2 625 225.00	CHF
Interest on CHF deposit accounts closed in 2023	-50 169.26	CHF
Bonus (0.65%)	2 275 195.00	CHF
Total	**4 850 250.74**	**CHF**

The surplus income would be allocated as follows:

Result CHF Fund	**3 855 471.80**	**CHF**
Transfer to the ordinary reserve Fund in CHF (0% in 2023)	-	CHF
Transfer to the extraordinary reserve Fund in CHF	3 855 471.80	CHF

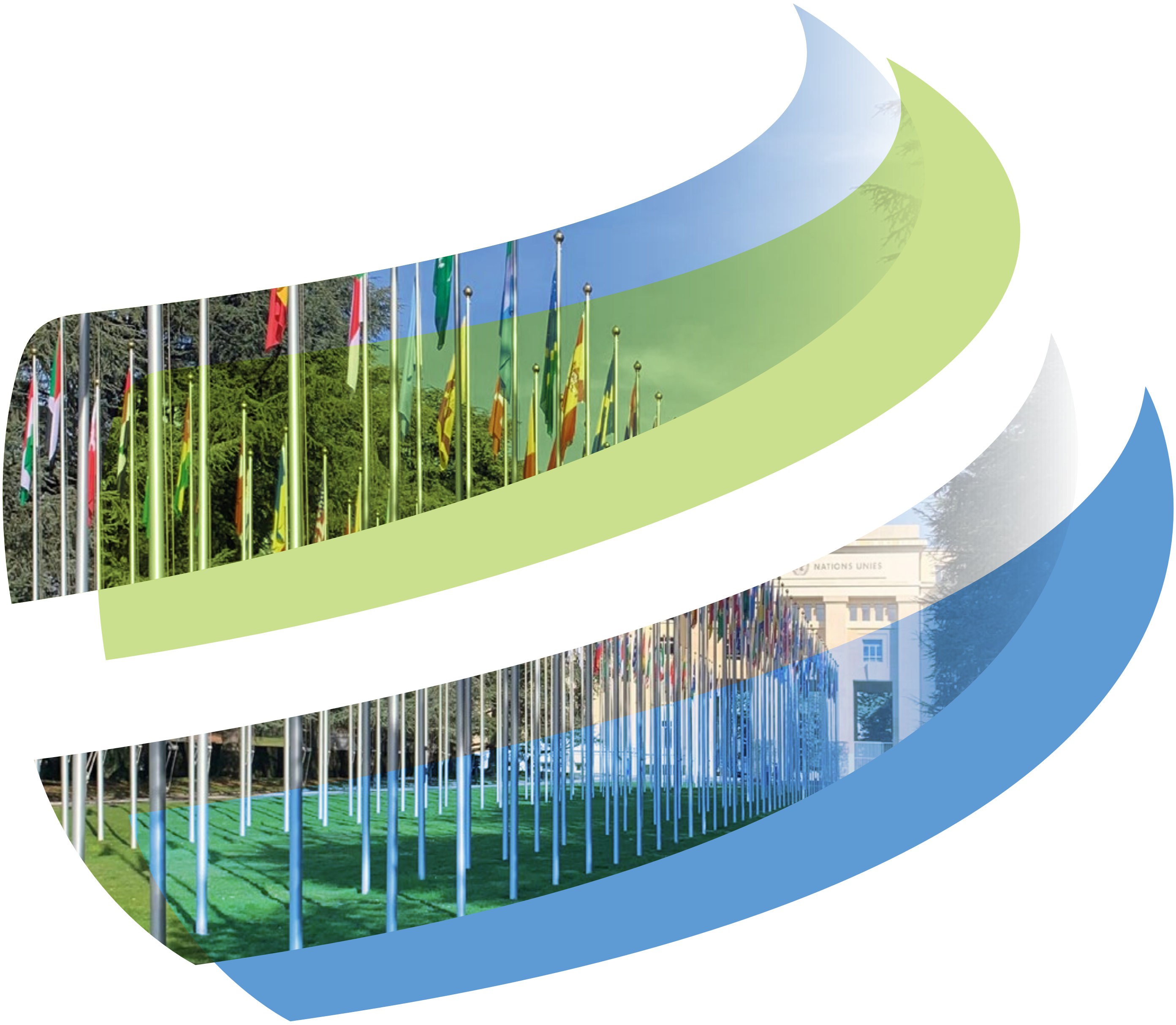
USD Fund

The Board of Directors decided to allocate the surplus income as follows:

Result USD Fund	**316 090.94**	**USD**
Transfer to the ordinary reserve Fund in USD (12.50% of interest)	39 511.37	USD
Equivalent in CHF*	35 560.23	CHF
Transfer to the extraordinary reserve Fund in USD	276 579.57	USD
Equivalent in CHF*	248 921.62	CHF
Total USD Fund	**316 090.94**	**USD**
Equivalent in CHF*	**284 481.85**	**CHF**

*Converted into CHF at the average exchange rate of 0.900.

2023
FINANCIAL STATEMENTS



I - ICSMA

COMBINED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

	Notes	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
ASSETS			
Current assets			
Cash and cash equivalents	6	69 612	95 001
Term deposits	7	27 688	5 500
Bonds held until maturity	8	5 497	26 550
Securities designated at fair value	10	-	923
Loans to members	12	40 867	38 442
Mobility passes		6	12
Other current assets	13	10 578	14 478
Total current assets		154 248	180 906
Non-current assets			
Bonds held until maturity	8	71 409	53 866
Management mandates designated at fair value	9	94 838	91 885
Securities designated at fair value	10	29 975	29 035
Derivative financial instruments	11	51	4
Loans to members	12	134 744	127 534
Tangible and intangible assets	14	64	108
Total non-current assets		331 081	302 432
TOTAL ASSETS		**485 329**	**483 338**
LIABILITIES			
Current liabilities			
Premiums paid in advance by members		802	785
Payables		806	558
Employee benefits	18	260	265
Provision for interest on the CHF deposit accounts	16	4 900	4 740
Members' deposits	15	393 918	396 480
Total current liabilities		400 686	402 828
Non-current liabilities			
Employee benefits	18	3 171	3 041
Total non-current liabilities		3 171	3 041
TOTAL LIABILITIES		**403 857**	**405 869**
NET ASSETS		**81 472**	**77 469**
Represented by			
Result of the financial year	19	4 706	-8 856
Exchange difference due to combined statement		-432	-93
Ordinary reserve Fund	17	60 868	60 744
Extraordinary reserve Fund	17	14 872	23 852
IPSAS 25 reserve Fund	3	1 458	1 822
NET ASSETS/EQUITY		**81 472**	**77 469**

II - ICSMA

COMBINED STATEMENT OF FINANCIAL PERFORMANCE AT 31 DECEMBER

	Notes	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
REVENUE	19		
Bank interest		1 109	113
Interest on loans to members		7 122	6 876
Net gains and losses on bonds held until maturity		984	1 004
Net gains and losses on management mandates valued at fair value		628	349
Net gains and losses on securities valued at fair value		214	133
Net gains and losses on derivative financial instruments		96	-8
Unrealized gains and losses on management mandates valued at fair value		2 953	-9 071
Unrealized gains and losses on securities valued at fair value		96	-412
Reversal to provision for short term employee benefits		3	7
Management fee paid by the insurers		1 549	1 476
Other revenue		378	603
TOTAL REVENUE		**15 132**	**1 070**
EXPENSES	20		
Operating expenses		5 249	4 994
Amortization of tangible and intangible assets		44	49
Interest paid on CHF accounts		4 854	4 689
Interest paid on USD accounts		109	54
Losses on loans		145	137
Allocation to provision for depreciation on loans		18	-
Allocation to provision for short term employee benefits		7	3
TOTAL EXPENSES		**10 426**	**9 926**
NET INCOME		**4 706**	**-8 856**

III - ICSMA

COMBINED STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31 DECEMBER

	2023 in CHF 1 000	2022 in CHF 1 000
Surplus / (Deficit) for the period	**4 706**	**-8 856**
Exchange difference due to combined statement	-339	27
Adjustment of the IPSAS 25 provision	55	85
Currency effect on the after-service health insurance liabilities	-287	45
Depreciation and impairment losses	44	-63
Provision for employee benefits (current liabilities)	-7	3
Non-monetary transactions	**4 172**	**-8 759**
Increase/(Decrease) in provision for interest on the CHF deposit accounts	160	-16
Increase/(Decrease) in payables	248	13
Increase/(Decrease) in premiums paid in advance by members	17	-2
Net cash flow resulting from operating activities	**425**	**-5**
Net cash flow resulting from investing activities		
(Increase)/Decrease in short-term investments	-212	-5 825
(Increase)/Decrease in long-term investments	-21 483	13 978
(Increase)/Decrease in current loans to members	-2 425	-1 906
(Increase)/Decrease in non-current loans to members	-7 210	-5 373
(Increase)/Decrease in other current assets	3 906	2 995
(Increase)/Decrease in tangibles and intangible assets	-	77
Net cash flow resulting from investing activities	**-27 424**	**3 946**
Net cash flow resulting from financing activities		
Increase/(Decrease) in members' accounts	-2 562	-5 433
Net cash flow resulting from financing activities	**-2 562**	**-5 433**
Net Increase/(Decrease) in cash and cash equivalents	**-25 389**	**-10 251**
Cash and cash equivalents at the beginning of the period	95 001	105 252
Cash and cash equivalents at the end of the period	69 612	95 001

IV - ICSMA

COMBINED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED ON 31 DECEMBER

In CHF 1 000	Notes	Ordinary reserve Fund	Extra-ordinary reserve Fund	IPSAS 25 reserve Fund	Exchange difference	Result of the financial year	Total net assets
Net assets at 31 December 2021		**60 605**	**23 668**	**-373**	**-120**	**323**	**84 103**
Allocation to ordinary reserve Fund	17	139				-139	
Allocation to extraordinary reserve Fund	17		184			-184	
Allocation to IPSAS 25 reserve Fund				2 195			2 195
Exchange difference due to combined statement					27		27
Surplus / Deficit for the year						-8 856	-8 856
Total changes during the year		**139**	**184**	**2 195**	**27**	**-9 179**	**-6 634**
Net assets at 31 December 2022		**60 744**	**23 852**	**1 822**	**-93**	**-8 856**	**77 469**
Net assets at 31 December 2022		**60 744**	**23 852**	**1 822**	**-93**	**-8 856**	**77 469**
Allocation to ordinary reserve Fund	17	124				-124	
Allocation to extraordinary reserve Fund	17		-8 980			8 980	
Allocation to IPSAS 25 reserve Fund				-364			-364
Exchange difference due to combined statement					-339		-339
Surplus / Deficit for the year						4 706	4 706
Total changes during the year		**124**	**-8 980**	**-364**	**-339**	**13 562**	**4 002**
Net assets at 31 December 2023		**60 868**	**14 872**	**1 458**	**-432**	**4 706**	**81 472**

V - LA MUTUELLE

STATEMENT OF FINANCIAL POSITION FOR THE CHF FUND AT 31 DECEMBER

	Notes	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
ASSETS			
Current assets			
Cash and cash equivalents	6	60 648	83 537
Term deposits	7	24 800	5 500
Bonds held until maturity	8	5 247	24 962
Loans to members	12	40 867	38 442
Mobility passes		6	12
Other current assets	13	9 122	11 873
Total current assets		140 690	164 326
Non-current assets			
Bonds held until maturity	8	60 858	45 237
Management mandates designated at fair value	9	94 838	91 885
Securities designated at fair value	10	29 368	28 484
Derivative financial instruments	11	51	4
Loans to members	12	134 744	127 534
Tangible and intangible assets	14	64	108
Total non-current assets		319 923	293 252
TOTAL ASSETS		**460 613**	**457 578**
LIABILITIES			
Current liabilities			
Payables		381	343
Employee benefits	18	211	205
Provision for interest on the CHF deposit accounts	16	4 900	4 740
Members' deposits	15	383 319	384 142
Total current liabilities		388 811	389 430
Non-current liabilities			
Employee benefits	18	2 741	2 687
Total non-current liabilities		2 741	2 687
TOTAL LIABILITIES		**391 552**	**392 117**
NET ASSETS		**69 061**	**65 461**
Represented by			
Result of the financial year		3 855	-9 844
Ordinary reserve Fund	17	55 428	55 428
Extraordinary reserve Fund	17	9 104	18 948
IPSAS 25 reserve Fund	3	674	929
NET ASSETS/EQUITY		**69 061**	**65 461**

VI - LA MUTUELLE

STATEMENT OF FINANCIAL PERFORMANCE FOR THE CHF FUND AT 31 DECEMBER

	Notes	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
REVENUE	19		
Bank interest		812	41
Interest on loans to members		7 122	6 876
Net gains and losses on bonds held until maturity		785	784
Net gains and losses on management mandates valued at fair value		628	349
Net gains and losses on securities valued at fair value		179	94
Net gains and losses on derivative financial instruments		96	-8
Unrealized gains and losses on management mandates valued at fair value		2 953	-9 071
Unrealized gains and losses on securities valued at fair value		105	-268
Reversal to provision for short term employee benefits		3	7
Other revenue		293	302
TOTAL REVENUE		**12 976**	**-894**
EXPENSES			
Operating expenses	20	4 055	4 076
Amortization of tangible and intangible assets	14	42	45
Interest paid on CHF accounts	16	4 854	4 689
Losses on loans	12	145	137
Allocation to provision for depreciation on loans		18	-
Allocation to provision for short term employee benefits		7	3
TOTAL EXPENSES		**9 121**	**8 950**
NET INCOME		**3 855**	**-9 844**

VII - LA MUTUELLE

STATEMENT OF FINANCIAL POSITION FOR THE USD FUND AT 31 DECEMBER

	Notes	31.12.2023 in USD 1 000	31.12.2022 in USD 1 000
ASSETS			
Current assets			
Cash and cash equivalents	6	4 122	6 198
Term deposits	7	2 500	-
Bonds held until maturity	8	-	1 720
Securities designated at fair value	10	-	1 000
Other current assets	13	252	114
Total current assets		6 874	9 032
Non-current assets			
Bonds held until maturity	8	9 418	7 632
Securities designated at fair value	10	400	379
Total non-current assets		9 818	8 011
TOTAL ASSETS		**16 692**	**17 043**
LIABILITIES			
Current liabilities			
Payables		75	67
Members' deposits	15	12 693	13 367
Total current liabilities		12 768	13 434
TOTAL LIABILITIES		**12 768**	**13 434**
NET ASSETS		**3 924**	**3 609**
Represented by			
Result of the financial year		316	49
Ordinary reserve Fund	17	2 362	2 355
Extraordinary reserve Fund	17	1 246	1 205
NET ASSETS/EQUITY		**3 924**	**3 609**

VIII - LA MUTUELLE

STATEMENT OF FINANCIAL PERFORMANCE FOR THE USD FUND AT 31 DECEMBER

	Notes	31.12.2023 in USD 1 000	31.12.2022 in USD 1 000
REVENUE	19		
Bank interest		328	75
Net gains and losses on bonds held until maturity		200	225
Net gains and losses on securities valued at fair value		32	35
Unrealized gains and losses on securities valued at fair value		21	-99
Other revenue		1	1
TOTAL REVENUE		**582**	**237**
EXPENSES			
Operating expenses	20	143	129
Amortization of tangible and intangible assets	14	2	2
Interest paid on USD accounts		121	57
TOTAL EXPENSES		**266**	**188**
NET INCOME		**316**	**49**

IX - GPAFI

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

	Notes	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
ASSETS			
Current assets			
Cash and cash equivalents	6	5 522	5 743
Term deposits	7	800	-
Bonds held until maturity	8	250	-
Other current assets	13	1 246	2 500
Total current assets		7 818	8 243
Non-current assets			
Bonds held until maturity	8	2 687	1 585
Securities designated at fair value	10	273	201
Total non-current assets		2 960	1 786
TOTAL ASSETS		**10 778**	**10 029**
LIABILITIES			
Current liabilities			
Premiums paid in advance by members		802	785
Payables		362	153
Employee benefits	18	49	60
Total current liabilities		1 213	998
Non-current liabilities			
Employee benefits	18	430	354
Total non-current liabilities		430	354
TOTAL LIABILITIES		**1 643**	**1 352**
NET ASSETS		**9 135**	**8 677**
Represented by			
Result of the financial year		567	941
Ordinary reserve Fund	17	3 209	3 092
Extraordinary reserve Fund	17	4 575	3 751
IPSAS 25 reserve Fund	3	784	893
NET ASSETS/EQUITY		**9 135**	**8 677**

X - GPAFI

STATEMENT OF FINANCIAL PERFORMANCE AT 31 DECEMBER

	Notes	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
REVENUE	19		
Bank interest		2	-
Net gains and losses on bonds held until maturity		19	5
Net gains and losses on securities valued at fair value		6	5
Unrealized gains and losses on securities valued at fair value		-9	-49
Management fee paid by the insurers		1 549	1 476
Other revenue		65	301
TOTAL REVENUE		**1 632**	**1 738**
EXPENSES			
Operating expenses	20	1 065	795
Amortization of tangible and intangible assets	14	-	2
TOTAL EXPENSES		**1 065**	**797**
NET INCOME		**567**	**941**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: General information

1. The International Civil Servants Mutual Associations, hereinafter designated “ICSMA”, founded in 1958, is a non-profit Fund exclusive to the United Nations and Specialized Agencies, administrated by international civil servants within the United Nations Office at Geneva, whose objectives are to promote mutual assistance among staff members of the United Nations Office and other Organizations within the United Nations family at Geneva, and the facilitation of the settlement of the said staff members and their family. Members have the possibility to borrow and deposit funds at favorable interest rates, benefit from reduced fares for the utilization of public transportation and from insurance schemes.

2. The affiliated Organizations are the following: ILO, ITU, WTO, WMO, WIPO, IMO, UNICEF, IOM, WHO, HCR, IPU, UNITAR and UNEP.

3. ICSMA is governed by the Statutes which were approved at the Annual General Assembly on 2 May 2018, and to the extent they are applicable, the Rules and Regulations of the United Nations Office in Geneva. ICSMA is not subject to any other jurisdiction.

4. ICSMA is comprised of two entities, La Mutuelle and the Provident and Insurance Group of International Officials, hereinafter designated “GPAFI”.

5. La Mutuelle and GPAFI operate entirely independently, and each of them is individually responsible.

6. ICSMA’s offices are located at the United Nations Office, Palais des Nations, Avenue de la Paix 8-12, 1211 Geneva 10.

NOTE 2: Principles governing the preparation of Financial Statements

7. Pursuant to the United Nations General Assembly resolution, the financial statements of ICSMA have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB), based on IAS (International Accounting Standards) and IFRS (International Financial Reporting Standards) as defined by the International Accounting Standards Board (IASB). When IPSAS do not provide specific standard, IFRS or IAS apply.

8. The financial statements at 31 December 2023 have been prepared on the accrual method of accounting and drawn up in line with the going concern principles that have been applied consistently throughout the year. These are in Swiss Francs (CHF) and rounded to thousand francs. Comparative figures have been reclassified to conform with the financial statements presentation in the current year.

9. The financial statements for the year ended 31 December 2023 were agreed and adopted by the Board of Directors of ICSMA on 15 March 2024 and must be approved by the members during the annual General Assembly.

Adoption of new or revised standards

10. No new or revised standards, which could impact the presentation of the financial statements of ICSMA at 31 December 2023 were adopted. However, for the sake of clarity, a separation has been made between unrealized gains and net gains on investments, requiring a restatement of the 2022 statement of financial performance.

NOTE 3: Significant accounting policies

Foreign currency transactions

11. GPAFI operates in CHF only.

12. La Mutuelle operates two completely separate Funds for members' savings in their original currency. La Mutuelle maintains two separate accounts with two different functional currencies. The CHF is the functional currency of the Fund in CHF, and the USD is the functional currency of the Fund in USD. Indeed, the CHF Fund is more important than USD and most of the expenses are paid in CHF.

13. The combined financial statements of La Mutuelle and GPAFI are presented in CHF, which is the functional and presentation currency.

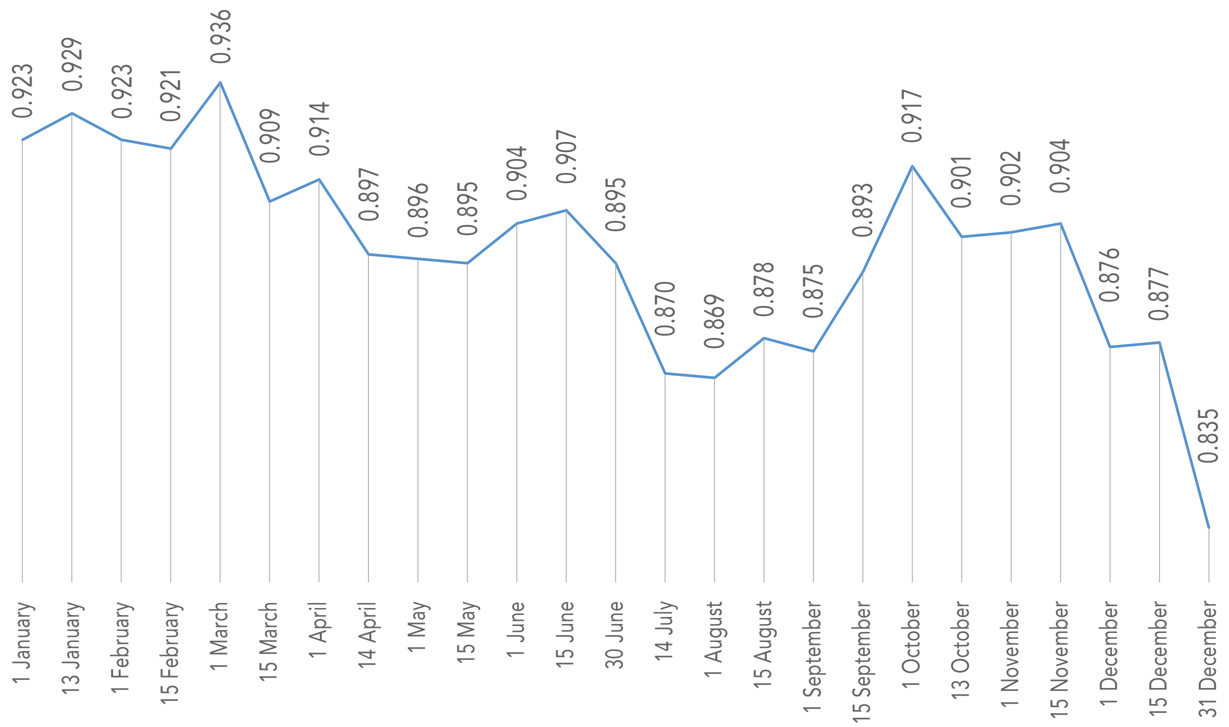
14. La Mutuelle statements of accounts in USD have been combined into those in CHF as follows:

- **a.** The statement of the USD financial performance is converted into CHF at the 2023 UNORE average rate, which is 0.900;
- **b.** The statement of the USD financial position is converted into CHF at the UNORE in force at the closing date of the financial year, which is 0.835.

15. This principle is applied since the IT software used by La Mutuelle to perform recording of accounting transactions can be done in the original currency of each Fund only, CHF or USD, but does not allow the recording of transactions in USD against their countervalue in CHF. The cost of developing this IT program is considered too high (IPSAS 1).

16. Transactions in foreign currencies made by La Mutuelle are converted in the functional currency of each Fund, at the UNORE in force at the time of the transaction. Foreign exchange gains and losses, resulting from these transactions and the translation, at year-end exchange rate, of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance in CHF and USD.

UNITED NATIONS operational rates of exchange (UNORE) USD/CHF for the year 2023:



Financial assets and liabilities

17. Financial assets and liabilities are recognized initially at fair value and classified according to their characteristics. Subsequent reevaluation of financial assets is determined by their classification and is reviewed at the end of the year. Financial assets are derecognised when ICSMA has transferred its rights to receive cash flows from the financial assets and the related risks. Interest-bearing financial liabilities are subsequently measured at amortized cost using the method of effective interest rate. ICSMA classifies its financial assets in the following categories:

Classification	Type of financial assets / liabilities
Financial assets held to maturity and carried at amortized cost:	Bond portfolios traded on financial markets and managed by ICSMA, loans granted to members.
Financial assets measured at fair value through profit or loss:	Term deposits, cash and cash equivalents, management mandates, securities, derivative financial instruments.
Historical value:	Withholding tax to recover, accrued interests on bonds, premiums to be received from members and other receivable assets, payables, members' deposits, premiums paid in advance by members.

Cash and cash equivalents

18. Cash and cash equivalents correspond to cash at bank and cash equivalents with a maturity of less than 3 months, including term deposits and financial investments, and that can be converted at any time into cash.

Term deposits

19. Term deposits are investments of more than 3 months made with banks. The interest rate is fixed throughout the term of the investment and interest is recognized on an effective yield basis.

Bond portfolios

20. Bonds are financial assets with fixed maturities and coupon, which are listed on financial markets and intended to be held until maturity. Bonds are recorded at the gross purchase price on acquisition and measured at amortized cost at effective interest rate at year-end. Discounts or premiums on any acquisition are amortized over the holding period of each bond. Transaction costs are recognized as an expense. The effective interest rate is used to value bonds. The impact of the amortization of the bonds is taken into account in the net change of the bonds valuation.

Management mandates

21. Management mandates are portfolios of bonds and mutual funds traded on the financial markets and managed by banks. Each management mandate is handled individually as a financial asset and is initially recorded at investment value of the portfolio as a whole. The latter is adapted to the fair value of the portfolio at year-end based on the last market prices. Revenues generated by each portfolio are recorded once as a whole under the statement of financial position, the cost and time required for an individual recognition being considered too high (IPSAS 1).

Securities

22. Securities such as capital guaranteed structured products, floating rate notes or mutual funds are financial assets traded in financial markets. Capital guaranteed structured products and floating rate notes have an uncertain return but a fixed maturity, while mutual funds have no maturity and an uncertain return. Securities are recorded at the gross purchase price on acquisition and this valuation is adjusted to the fair value at the closing date of the financial year on the basis of their quoted closing price.

Derivative financial instruments

23. La Mutuelle uses derivative financial instruments such as forward exchange contracts in order to hedge the exchange risks incurred on real estate funds expressed in foreign currencies. These financial instruments are initially recognized at their fair value on the date on which the derivative contract is concluded and are revalued at their fair value. Derivatives are presented as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Loans to members

24. Loans to members are financial assets with fixed maturities. There are 2 types of loans: the ordinary loan and the housing loan. At year-end, loans are recorded at fair value and take into account an impairment related to doubtful loans established on a case by case basis.

Premiums to be received from members

25. Premiums to be received from members correspond to insurance premiums billed to members for the year in force but not yet paid at the end of the year. At the end of the year, the premiums to be received are recorded at fair value and include a doubtful impairment charge on a case-by-case basis.

Withholding tax to recover

26. The withholding tax has been levied on the payment of Swiss bond interests, on the interest of CHF deposits, and on CHF bank accounts as long as the interest rate is positive. It is recovered during the next financial year.

Accrued interests on bonds

27. Accrued interest on bonds and securities is recognized under assets as receivables.

Members' deposits

28. Members have the possibility to deposit funds in two CHF accounts, the current and the deposit account, and in the USD current account.

Premiums paid in advance by members

29. Premiums paid in advance by members correspond to premiums billed to members for the following year but already paid by members during the fiscal year.

Payables

30. The accrued liabilities correspond to benefits that have been made during the year but that will be invoiced after the year-end closing.

Recognition of income and charges

Financial assets

31. Interest is recognized on a time proportion basis taking into account the effective yield of the asset when the difference with the nominal yield is significant. Dividends are recognized when the right to receive payment by ICSMA is established. If bonds are bought and accrued interest for the period before the acquisition date must be paid, the acquisition cost is reduced by the accrued interest. The interest accruing since the date of acquisition until the date of payment are recognized under income.

Loans to members

32. Interest is recognized monthly on a time proportion basis.

Members' deposits

33. Interest is recognized monthly and yearly as per the process described under note 16.

Insurance income

34. Income is measured at fair value of the amount received or to be received, net of commercial discounts and rebates.

35. Concerning the insurer management fees UNIQA TSM and MGEN prepare a quarterly statement on the basis of the premiums invoiced for the quarter with a year-end summary.

Other income and charges

36. Income such as fees for manual process, penalties applied for non respect of the withdrawal notice and insurance premium payment reminders are recognized when the transaction is performed. Bills and credit notes are recognized at the period to which they relate.

Tangible and intangible assets

Property, plant and equipment

37. Tangible assets are recognized at historical cost, less accumulated depreciation and any impairment losses. Tangible assets are depreciated over a useful life of 5 years using the straight-line method. Assets are capitalized if their original acquisition price is equal to or greater than CHF 5,000. Tangible assets, only held by La Mutuelle, are composed of IT servers purchased in 2021.

Intangible assets

38. Intangible assets are recognized at historical cost, less accumulated depreciation and any impairment losses. Intangible assets are depreciated over a useful life of 3 years using the straight-line method. Assets are capitalized if their original acquisition price is equal to or greater than CHF 5,000. Assets under this threshold are recognized as an expense as long as they do not increase the value of the good or its lifetime. Intangible assets, only held by La Mutuelle, are composed of IT licenses, software and costs resulting from the improvement of the website.

Impairment of non-financial assets

39. At 31 December 2023, the only non-financial assets of ICSMA are servers acquired in 2021 and IT licenses. At the closing date of the financial exercise, ICSMA verifies if there is an indication that an asset may have lost value and that the book value exceeds the recoverable amount. If this is the case an impairment cost is recognized within the statement of the financial performance.

Provisions

40. A provision covers obligations for which the outcome, the due date or amount is uncertain. A provision must be recognized within the statement of the financial situation if and only if a present obligation (legal or constructive) as arisen as a result of a past event, a payment is probable and the amount can be estimated reliably. As the interest rate on the CHF deposit account proposed by La Mutuelle must be approved by the General Assembly, on the proposal of the Board of Directors, within 6 months following the closing date, the interest that will be credited represents a liability and a provision is recorded.

Contingent assets and liabilities

41. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of ICSMA.

42. A contingent liability is:

a. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of ICSMA, or

b. a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

43. Contingent assets and liabilities are detailed in the notes to the financial statements.

Employee benefits

44. Employee benefits are classified into short-term benefits, long-term benefits, post-employment benefits and termination benefits.

Short-term benefits

45. Short-term employee benefits are employee benefits (other than termination benefits) that are payable within 12 months after the end of the year in which the employee renders the related services. They comprise first-time employee benefits, regular daily/weekly/monthly benefits, compensated absences (annual leave, home leave, sick leave, maternity and paternity leave) and other short-term benefits (death grant, education grant, reimbursement of taxes) provided on the basis of services rendered. These benefits are recorded at nominal value and recognized as current liabilities within the statement of financial position.

Accumulated unused annual leave

46. The United Nations staff members may accumulate up to a maximum of 60 working days that must be paid in case of separation. Accumulated unused annual leave at year-end is recognized by ICSMA as non-current liabilities within the statement of financial position (employee benefits).

Post-employment benefits

47. Post-employment benefits comprise the after-service health insurance (ASHI), the United Nations Joint Staff Pension Fund and the end-of-service repatriation benefits.

Repatriation benefits

48. As per the Staff Rules of the United Nations Office, staff members in the Professional category and other relevant staff members are entitled to repatriation grants and related relocation costs (travel, removal expenses), upon their separation from the organization, based on the number of years of service. At 31 December 2023, one ICSMA staff member is eligible for repatriation benefits.

Actuarial valuation of post-employment liabilities

49. Liabilities related to after-service health insurance are calculated by an independent actuary based on the projected unit credit method for the calculation of the balance at 31 December 2023. As per the General Assembly resolution 70/244 on the United Nations common system, the statutory retirement age is 65 for all staff members appointed from 1 January 2014.

The assumptions for salary increases, retirements, withdrawal settlement and mortality are online with those used by the United Nations Joint Staff Pension Fund for its own actuarial valuation. The present value is determined by discounting the estimated future cash outflows using the interest rates of high-quality corporate bonds. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in net assets. The assumptions considered are the following:

	Assumptions used in valuation of after-service health insurance obligations
Discount rate	1.60% (2.34% in 2022) - Weighted average of discount rates of three major currencies representing after-service health insurance liabilities, i.e., the United States dollar, the euro and the Swiss franc. Each year's projected after-service health insurance cash flow is discounted at a spot rate for high-quality corporate bonds payable in each major currency appropriate for that maturity.
Expected rate of medical cost increase	2.34% (0.27% in 2022) - Weighted average of health-care cost trend rates estimated for United States dollar, euros and Swiss franc claims reimbursement.

After-service health insurance

50. After-service health insurance provides worldwide coverage for medical expenses of eligible former staff members and their dependants. Upon end of service, staff members (and their spouses, dependant children and survivors) may elect to participate in a defined-benefit health insurance plan of the United Nations, provided that they have met certain eligibility requirements, including 10 years of participation in a United Nations health plan for those who were recruited after 1 July 2007 and 5 years for those recruited before that date. The after-service health insurance liability represents the present value of the share of ICSMA's medical insurance costs for retirees and the post-retirement benefit accrued to date by active staff. A factor in the after-service health insurance valuation is to consider contributions from all plan participants in determining ICSMA's residual liability. Contributions from retirees are deducted from the gross liability, and a portion of the contributions from active staff is also deducted to arrive at the Organization's residual liability in accordance with the cost-sharing ratios authorized by the General Assembly.

51. The present value of future benefits is the discounted value of all benefits, less retiree contributions, to be paid in the future to all current retirees and active staff expected to retire. The accrued liability represents that portion of the present value of benefits that has accrued from the staff member's date of entry on duty until the valuation date. An active staff member's benefit is fully accrued when that staff member has reached the date of full eligibility for after-service benefits. Thus, for retirees and active staff members who are eligible to retire with benefits, the present value of future benefits and the accrued liability are equal. Liabilities are calculated using the projected unit credit method, whereby each participant's benefits under the plan are expensed as they accrue, taking into consideration the plan's benefit allocation formula.

52. The decrease by 32% of the discount rate has a significant impact on ICSMA's commitments, as does the updating of demographic table, increasing the liability.

53. The following table shows a reconciliation of the opening and closing balances of the after-service health insurance liability:

	2023	2022
Defined benefit obligations at 1 January	3 005 464	5 071 845
Service expense cost	65 413	152 860
Interest expense cost	62 961	13 743
Benefits paid	-73 938	-81 813
Actuarial (gain) or loss	363 740	-2 195 515
Foreign exchange (gain) or loss	-286 545	44 344
Defined benefit obligations at 31 December	3 137 095	3 005 464

54. The net amount of the defined after-service health insurance obligation is recognized within the statement of financial position and amounts to CHF 3,137,095 (CHF 3,005,464 at 31 December 2022).

55. Actuarial gains and losses occure when the actuarial estimate differs from the expected long-term rates. They arise from adjustments resulting from experience (differences between previous actuarial assumptions and what has actually occurred) and changes in actuarial assumptions due to factors such as mortality rates, discount rates, forecasts of changes in medical health care, medical inflation. They are recognized in the net assets, under IPSAS 25 reserve, and amount to CHF 363,740 (CHF -2,195,515 at 31 December 2022).

56. Current service cost and interest cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period. These are classified within the statement of financial performance and amount to CHF 128,374 (CHF 166,603 at 31 December 2022).

57. Foreign exchange gains and losses, resulting from the conversion in CHF of amounts in USD generated by the after-service health insurance, are recognized in the statement of financial performance as unrealized gains or losses on foreign exchange and amount to CHF -286,545 (CHF 44,344 at 31 December 2022).

Medical costs sensitivity analysis

58. The principal assumption in the valuation of the after-service health insurance is the rate at which medical costs are expected to increase in the future. A variation by 1% of medical costs would have the following impacts:

	2023		2022	
	1%	-1%	1%	-1%
Effect on the aggregate of the current service cost and interest cost	39 618	-7 999	-57 473	-100 207
Effect on the defined-benefit obligation	771 859	-573 873	881 125	-374 023

United Nations Joint Staff Pension Fund

59. The United Nations Joint Staff Pension Fund is a fund that was established by the United Nations General Assembly in 1949 to provide retirement, death, disability and related benefits for staff of the United Nations and the other organizations admitted to membership in the Fund. The Pension Fund is a funded, multi-employer defined-benefit plan. As ICSMA is a Fund of the United Nations Office at Geneva, its employees are affiliated to the Pension Fund of the United Nations Joint Staff Pension Fund.

60. ICSMA's financial obligation to the United Nations Joint Staff Pension Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.90% for participants and 15.80% for ICSMA) together with any share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

61. The Pension Board carries out an actuarial valuation every two years using the open group aggregate method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities. The latest actuarial valuation was performed as of 31 December 2021 and revealed a surplus of 2.30% (0.50% in the 2019 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as of 31 December 2021 was 21.40% (23.20% in the 2019 valuation) of pensionable remuneration, compared to the actual contribution rate of 23.70%. At 31 December 2021, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments and based on a nominal interest rate of 6%, was 158.20% (144.40% in the 2019 valuation). The increase in the funded ratio is notably attributable to a lower than expected cost of living increase. At the time of this report, the General Assembly has not invoked the provision of Article 26.

62. The contributions paid by ICSMA to the United Nations Joint Staff Pension Fund in 2023 amounted to CHF 385,262 (CHF 399,327 in 2022).

Reserve for compensation payments

63. According to Article 48 of the Secretary-General's Bulletin (ST/SGB/188) on the Establishment and Management of Trust Funds, an amount representing a percentage of net base salary paid to staff members, currently 1%, should be collected and allocated to a special reserve to deal with compensation claims that could be submitted according to Appendix D of the Staff Rules, which rules govern the payment of compensation in the event of death, injury or illness attributable to the performance of official duties on behalf of the United Nations. The amounts, retained by the United Nations in a pool account, are not refundable and recognized under the expenses.

NOTE 4: Risk management

64. ICSMA defines risk as potential losses that may be caused by external and internal factors. As the primary objective is the capital preservation with a maximization of the return, the Board of Directors issued rules for overall risk management, as well as rules addressing specific areas such as asset management. The last risk analysis was done in 2022.

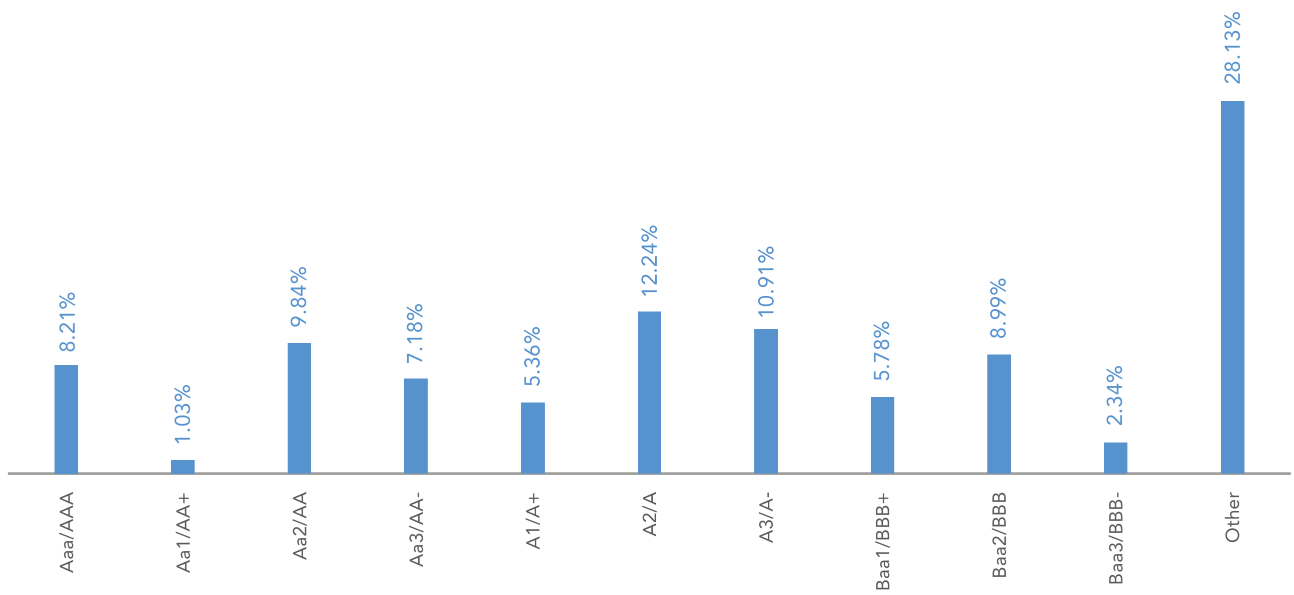
65. The risks faced by ICSMA are market risk, credit risk, liquidity risk, currency risk and operational risk. ICSMA is not engaged in speculative transactions.

The market risk

66. The market risk is the risk of investment losses, resulting from fluctuations in the prices of bonds and securities. ICSMA minimizes this risk by using qualitative criteria for the selection of investments. The current Investment Policy of ICSMA, which is being updated to take into account the current financial situation, allows the purchase of the following bonds:

- **a.** Treasury bills and bonds issued by governments or by entities with a Government guarantee with a minimum rating of AA (Moody's or Standard & Poor's equivalent);
- **b.** New issues of supranational organizations and international development institutions with a minimum rating of AA (Moody's or Standard & Poor's equivalent);
- **c.** Corporate bonds with a minimum rating of BBB- (Moody's or Standard & Poor's equivalent) as long as the Investment Committee gives its approval.

67. At 31 December 2023, the distribution of the investments per rating is the following:



The credit risk

68. The credit risk is the risk that a counterparty does not repay its debt. This risk applies to the following financial assets:

a. Cash and cash equivalents and term deposits: if a bank with which ICSMA deposits cash and cash equivalents and makes term deposits were to fail, a net loss should be recorded by ICSMA. The credit risk is minimized by the fact that cash and cash equivalents and term deposits are distributed with various banks such as UBS, Lombard Odier, Banque Cantonale de Genève, Crédit Suisse, Barclays Bank and PostFinance. The risk is minimized by choosing a counterparty with a short-term rating of A1 of higher (Moody's or Standard & Poor's equivalent).

b. Bonds management mandates and securities: if a creditor is unable to repay its debt a net loss should be borne by ICSMA. The credit risk for investments is minimized through two mandate of investments monitoring that La Mutuelle has with Crédit Suisse and UBS, which provides two more opinions about the quality of investments.

c. Loans: La Mutuelle is exposed to the risk of default in case a member does not repay his/her debt. The Board of Directors has issued rules regarding the granting of ordinary and housing loans. These rules take into account, notably, member's salary, the contractual status (type, duration, date of entry into the organization), the financial capacity and the external debts. Furthermore, the ordinary loan is limited to 7x the member's net monthly take-home pay, and the maximum housing loan amount granted is CHF 250,000. The maximum debt that a member can have with La Mutuelle is CHF 250,000.

d. Premiums related to insurance: in the context of group insurance contracts concluded between GPAFI and the insurers, these insurers carry out an overall invoicing for all the insured persons, and GPAFI, as a policyholder, pays the premiums to the insurers according to the agreed payment dates. GPAFI invoices the premiums to its members individually. The risk premium, linked to the fact that GPAFI pays premiums to insurers without having the assurance of recovering such amounts from insured persons, is minimized through the debtor management set up by GPAFI. Indeed, sending reminders before the exclusion of a member for non-payment is very short process which allows, in particular, to block the payment of benefits by the insurer to this member. With this agreement, GPAFI can exclude a member retroactively to the date of the blocking of benefits without having to pay the premium unpaid by the member, and without suffering any financial loss.

The interest rate risk

69. The interest rate risk corresponds to the fluctuation of a financial asset or liability arising from a change in interest rates. ICSMA is exposed to the risk of capital depreciation on interest bearing financial assets. Concerning cash and cash equivalents, since 2015 ICSMA has been confronted with negative interest charged by the depositaries banks following the decision of the Swiss National Bank to introduce negative interest rates on assets held in deposits with the SNB. This charge, ended in 2023 with the expiration of the last term deposits, is recognized in the statement of the financial performance.

70. To protect the CHF and USD bond portfolios against the interest rate risk, the bonds bought directly by ICSMA are held until their maturity. However, if a major risk of bankruptcy of the debtor exists, the sale is exceptionally authorized provided that it is clearly justified. Furthermore, the duration of the portfolios shall not exceed 7 years.

71. The duration of the management mandates contracted by La Mutuelle shall not exceed 5 years. If a bank wishes to exceed this limit it must first obtain the approval of the members of the Investment Committee.

Interest rate sensitivity analysis

72. The following table shows the impact on revenue of a variation by 1% of the weighted average interest rate:

Interest rate sensitivity analysis

	2023		2022	
	Increase (+)/ Decrease (-) in basis points	Effect on the result of the financial year	Increase (+)/ Decrease (-) in basis points	Effect on the result of the financial year
		in CHF 1 000		in CHF 1 000
Financial assets				
Cash and cash equivalents	+100	759	+100	498
	-100	-633	-100	-498
Term deposits	+100	42	+100	507
	-100	-510	-100	-507
Bonds held until maturity	+100	-3 347	+100	-3 201
	-100	3 347	-100	3 201
Securities designated at fair value	+100	297	+100	288
	-100	-297	-100	-288
Management mandates designated at fair value	+100	-3 068	+100	-3 308
	-100	3 068	-100	3 344
Loans to members	+100	4 246	+100	4 210
	-100	-3 875	-100	-3 841

The currency risk

73. The currency risk is the risk arising from currency fluctuations, and their impact on the valuation of an asset or a liability. The currency risk to which ICSMA is exposed to is mainly linked to management mandates through the foreign currencies (La Mutuelle only) as well as to the Trust Fund expressed in USD.

74. According to La Mutuelle's investment policy, approved by the Board of Directors, management mandates must contain at least 50% of the CHF. As a whole, management mandates must be invested at least 70% in the base currency with a maximum of 110%. Banks with managed accounts may use forward exchange contracts, futures, swaps and options if necessary, but only for protection and not for speculation.

75. Unrealized exchange losses or gains at year end resulting from the evaluation of the Trust Fund are recognized in the statement of the financial performance.

76. In order to minimize the risk linked to variations in the exchange rate, La Mutuelle invests cash and cash equivalents, term deposits, bond portfolios, securities and loans to members only in the respective currencies of the Funds which are the CHF for the CHF Fund and the USD for the USD Fund. However, in order to offset negative interest, the Smart Estate 1 real estate fund, listed in euro, was purchased and a foreign exchange contract concluded as a protection against any variation in exchange rates.

Sensitivity analysis to changes in the CHF against other currencies

77. The following table shows the impact of a fluctuation of the CHF against other currencies by 1% on revenue:

Sensitivity analysis to changes in the CHF against other currencies

	2023		2022	
	Increase (+)/ Decrease (-) in basis points	Effect on the result of the financial year	Increase (+)/ Decrease (-) in basis points	Effect on the result of the financial year
		in CHF 1 000		in CHF 1 000
Financial assets				
Management mandates designated at fair value	+100	35	+100	36
	-100	-35	-100	-36
Trust Fund	+100	88	+100	26
	-100	-88	-100	-234
Derivative financial instruments	+100	-26	+100	-9
	-100	30	-100	30

The liquidity risk

78. The liquidity risk for La Mutuelle is the risk of unanticipated large withdrawals. La Mutuelle is able to anticipate withdrawals thanks to the members withdrawal notice of 3 working days. To minimize this risk, La Mutuelle maintains cash of CHF 69,612,000 and invests part of the members' deposits in products that can be sold within 3 working days. With regard to the insurance activity, the liquidity risk corresponds to the risk of a significant increase in the premiums billed by the insurers to GPAFI before their collection from the members. GPAFI is able to anticipate these increases as tariff negotiations with insurers take place during the summer for the following year, or even for several years. The risk is also minimized insofar as the premiums billed to the members are payable in advance for a given period, while GPAFI benefits from a period of payment from insurers and, for certain contracts, pays installments in the course of the year and the balance after the establishment of a final statement at year-end.

Fair value hierarchy

79. The financial instruments are classified using a fair value hierarchy that has the following levels:

- **a. Level 1:** Instruments valued using quoted prices in active markets where the fair value can be determined directly from prices which are quoted in active, liquid markets and where the instrument observed in the market is representative of that being priced. These include management mandates and securities.
- **b. Level 2:** Instruments where the fair value can be determined by reference to similar instruments trading in active markets, or where a technique is used to derive the valuation but where all inputs to that technique are observable. These include term deposits as well as derivative financial instruments.
- **c. Level 3:** Instruments where the fair value cannot be determined directly in active markets, and some other valuation technique must be employed. Instruments classified in this category have an element which is unobservable and which has a significant impact on the fair value.

80. The financial instruments shown in the table below are those measured at fair value, while cash and cash equivalents are measured at book value and bonds at amortized cost. It should be noted that a restatement has been made for the year 2022, which initially included cash and cash equivalents and held-to-maturity bonds:

Fair value hierarchy

	31.12.2023 in CHF 1 000			31.12.2022 in CHF 1 000		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Term deposits						
In CHF	-	25 600	-	-	5 500	-
In USD, equivalent in CHF	-	2 088	-	-	-	-
Subtotal	**-**	**27 688**	**-**	**-**	**5 500**	**-**
Managed accounts designated at fair value						
In CHF	94 838	-	-	91 885	-	-
Subtotal	**94 838**	**-**	**-**	**91 885**	**-**	**-**
Securities designated at fair value						
In CHF	29 641	-	-	28 685	-	-
In USD, equivalent in CHF	334	-	-	1 273	-	-
Subtotal	**29 975**	**-**	**-**	**29 958**	**-**	**-**
Derivative financial instruments designated at fair value						
In CHF	-	51	-	-	4	-
Subtotal	**-**	**51**	**-**	**-**	**4**	**-**
Loans to members						
In CHF	-	-	175 611	-	-	165 976
Subtotal	**-**	**-**	**175 611**	**-**	**-**	**165 976**
TOTAL	**124 813**	**27 739**	**175 611**	**121 843**	**5 504**	**165 976**

81. During the reporting period ending 31 December 2023 there were no transfers between the levels.

The operational risk

82. The operation risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, persons and systems such as:

a. Internal fraud: ICSMA internal organization requires intervention of a minimum of 2 persons to validate deposits and loan activities which reduces the risk of internal fraud. Furthermore, ICSMA financial transactions are checked at the end of each month by a third person.

b. External fraud: the main IT servers are separated from the website servers in order to minimize the risk of external fraud.

c. Damage to physical assets: the relocation of backup servers in a remote place of the Palais des Nations minimizes the risk of potential losses resulting from business interruption.

d. Member products and business practices: ICSMA, staff members, Members of the Board of Directors and of the various committees, Representatives of affiliated organizations have signed a Code of Ethics to adhere to a code of conduct and ethics.

e. Non-compliance: ICSMA minimizes the risk linked to money laundering and tax non-compliance by means of regular controls.

83. At the closing date of 31 December 2023, there were no impairment indicators of financial assets that would indicate that an adjustment of value would be required.

NOTE 5: Accounting estimates and judgement

84. The preparation of financial statements in accordance with IPSAS involves the use of estimates that have influence on, firstly, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and, secondly, the amount of revenue and expenses during the reporting period. Although estimates are based on historical experiences and on various other factors believed to be reasonable under the circumstances, actual results may differ materially from those projected in these estimates.

85. The areas involving a high degree of judgment or complexity, or where assumptions and estimates have a significant impact on the preparation of financial statements are post-employment benefits, provisions for receivables and measurement of financial instruments at fair value.

NOTE 6: Cash and cash equivalents

Combined statement of cash and cash equivalents

	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
Cashier	26	51
Income from management mandates	434	221
Current CHF bank accounts	50 210	47 508
Current USD bank accounts equivalent in CHF	1 355	2 029
CHF Term deposits maturing before 3 months	15 500	41 500
USD Term deposits maturing before 3 months, equivalent in CHF	2 087	3 692
TOTAL IN CHF	**69 612**	**95 001**

86. The average return on ICSMA's CHF bank accounts for 2023 was 0.24% (-0.90% in 2022), while the average return on La Mutuelle's USD bank accounts was 1.97% (1.67% in 2022).

87. The fair value of cash and cash equivalents is equal to the book value.

NOTE 7: Term deposits

Combined statement of term deposits

	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
TERM DEPOSITS OVER 3 MONTHS AND LESS THAN 12 MONTHS		
MUTUELLE - CHF Fund		
Banque Cantonale de Genève	5 500	5 500
Barclays	9 300	-
Crédit Suisse	10 000	-
Subtotal	**24 800**	**5 500**
MUTUELLE - USD Fund, equivalent in CHF		
Barclays	835	-
Banque Cantonale de Genève	1 253	-
Subtotal	**2 088**	**-**
GPAFI		
PostFinance	800	-
Subtotal	**800**	**-**
TOTAL	**27 688**	**5 500**

88. The 2023 average return on ICSMA's CHF term deposits was 1.06% (0.01% in 2022). The average return on La Mutuelle' USD term deposits for 2023 was 3.55% (0.27% in 2022).

NOTE 8: Bonds held until maturity

Combined Statement of bonds held until maturity

	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
BONDS MATURING WITHIN 12 MONTHS		
MUTUELLE - CHF Fund		
CHF bonds	5 247	24 962
Subtotal	**5 247**	**24 962**
MUTUELLE - USD Fund		
USD bonds, equivalent in CHF	-	1 588
Subtotal	**-**	**1 588**
GPAFI		
CHF bonds	250	-
Subtotal	**250**	**-**
TOTAL	**5 497**	**26 550**
BONDS MATURING LATER THAN 12 MONTHS		
MUTUELLE - CHF Fund		
CHF bonds	61 547	45 926
Depreciation*	-689	-689
Subtotal	**60 858**	**45 237**
MUTUELLE - USD Fund		
USD bonds, equivalent in CHF	7 864	7 044
Subtotal	**7 864**	**7 044**
GPAFI		
CHF bonds	2 687	1 585
Subtotal	**2 687**	**1 585**
TOTAL	**71 409**	**53 866**

*For the record an expected liquidation: 2.125% Sairgroup Zürich 1997 - 2004

89. According to the investment policy, bonds managed by ICSMA must meet the qualitative criteria listed under "Market risk" of Note 4 "Risk Management".

90. With the implementation of IPSAS 41, an entity can apply different approaches to assess whether the credit risk on a financial instrument has increased significantly since its initial recognition or to assess the expected credit losses. The entity may take into account, during the assessment, reasonable and justifiable information that is available without undue cost or effort that could affect the credit risk.

91. The investment monitoring report, made by Crédit Suisse at 31 December 2023, did not indicate any increase in credit risk or possible losses on investment.

92. Bond portfolios are down 4.4% compared to 2022.

NOTE 9: Management mandates designated at fair value

Combined statement of management mandates designated at fair value

	31.12.2023			31.12.2022		
MUTUELLE - CHF Fund	Fair value (net revenue) in CHF 1 000	Variation versus book value in CHF 1 000	Unrealized gain/(loss) (%)	Fair value (net revenue) in CHF 1 000	Variation versus book value in CHF 1 000	Unrealized gain/(loss) (%)
Banks						
Lombard Odier	36 657	-3 343	-8.36	35 394	-4 606	-11.52
Banque Privée Edmond de Rothschild 1	39 516	-484	-1.21	38 326	-1 674	-4.19
Banque Privée Edmond de Rothschild 2	18 665	-1 335	-6.68	18 165	-1 835	-9.17
TOTAL	**94 838**	**-5 162**		**91 885**	**-8 115**	

93. According to the investment policy, management mandates must meet the qualitative criteria listed under “Market risk” Note 4 “Risk Management”.

94. After the sharp fall recorded in 2022 the valuation of management mandates increased by 3% in 2023. The provision for unrealized losses has been reduced from CHF - 8,114,878 in 2022 to CHF -5,161,602, resulting in a provision reversal of CHF 2,953,276, which is recognized in the statement of the financial performance.

NOTE 10: Securities designated at fair value

Combined statement of securities designated at fair value

	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
SECURITIES MATURING WITHIN 12 MONTHS		
MUTUELLE - CHF Fund		
-	-	-
Subtotal	**-**	**-**
MUTUELLE - USD Fund, equivalent in CHF		
Barclays Floater Note 2020 - 2023	-	923
Subtotal	**-**	**923**
TOTAL	**-**	**923**
SECURITIES MATURING AFTER 12 MONTHS		
MUTUELLE - CHF Fund		
Unirenta Union Investments GMBH	101	101
0.60% UBS Capital Protection Coupon Note 2022 - 2025	5 000	5 000
Crédit Agricole Floating Rate Notes 2022 - 2027	3 000	3 000
Citigroup Fixed Rate Note 2022 - 2027	2 000	2 000
Citigroup protected Coupon Barrier Note 2022 - 2027	2 000	2 000
Goldman Sachs Dolphin Notes 2022 - 2027	2 000	2 000
Lombard Odier Fund (CH) Ultra low CHF I	9 482	9 482
Philae Fund Varia Decalia Swiss Realtech	3 583	3 748
Smart Estate 1	3 081	2 137
Depreciation	-879	-984
Subtotal	**29 368**	**28 484**
MUTUELLE - USD Fund, equivalent in CHF		
UBS Group Floater 2021 - 2032	399	442
Depreciation	-65	-92
Subtotal	**334**	**350**
GPAFI		
2% Luzerner Kantonalbank AG 2021 - perpetual	331	250
Depreciation	-58	-49
Subtotal	**273**	**201**
TOTAL	**29 975**	**29 035**

95. ICSMA classes under securities investments available for sale at any time.

96. According to the investment policy, securities managed by ICSMA must meet the qualitative criteria listed under “Market risk” Note 4 “Risk Management”.

97. Perpetual and floating-rate bonds, securities and mutual funds are purchased with the aim of improving the return of investments. As they can be redeemed or sold at any time, they are classified under the securities.

NOTE 11: Derivative financial instruments

Combined statement of derivative financial instruments designated at fair value

	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
MUTUELLE - CHF Fund		
Derivative financial instruments	51	4
TOTAL	**51**	**4**

98. La Mutuelle has entered into a forward exchange contracts in 2023 in order to minimize the risk arising from exchange rate fluctuations linked to the Smart Estate 1 and 2 real estate funds listed in euro. The contracts are recorded at their fair value at 31 December and are classified under the assets.

Forward exchange contracts

Date	Currency	Amount sold	Currency	Amount purchased	Forward exchange rate	Maturity
2023						
16.12.23	EUR	2 080 888.28	CHF	1 925 487.54	0.9253	16.12.24
18.12.23	EUR	929 000.00	CHF	863 970.00	0.9300	16.12.24
2022						
14.12.22	EUR	2 017 888.28	CHF	1 959 672.20	0.9712	15.12.23

NOTE 12: Loans to members

Combined statement of loans to members

	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
AMORTIZATION OF LOANS SCHEDULED WITHIN 12 MONTHS		
Ordinary loans	14 810	14 107
Housing loans	26 057	24 335
TOTAL	**40 867**	**38 442**
AMORTIZATION OF LOANS SCHEDULED AFTER 12 MONTHS		
Ordinary loans	29 368	29 149
Housing loans	106 227	99 218
Provision for depreciation on loans	-851	-833
TOTAL	**134 744**	**127 534**

99. In application of IPSAS 41, the recognition of the expected credit loss is done through the following panels:

a. Panel 1: includes loans that have not had a significant increase in credit risk since their initial recognition or that have a low credit risk at the reporting date. The expected credit loss is applied by calculating a loan loss ratio to the total outstanding loans over the last 4 years. The panel 1 amounts to CHF 117,761 at 31 December 2023 (CHF 144,982 at 31 December 2022).

b. Panel 2: includes loans that have had a significant increase in credit risk since their initial recognition (unless they have low credit risk at the reporting date) but that do not have an objective evidence of impairment. The expected credit loss is applied by taking into account the evolution of debtor files under monitoring between 2 accounting years. The panel 2 amounts to CHF 14,475 at 31 December 2023 (CHF 45,346 at 31 December 2022).

c. Panel 3: includes loans that have an objective evidence of impairment at the reporting date. The expected credit loss is applied by taking into account the total amount of debts handled by a debt collection Agency. The panel 3 amounts to CHF 718,434 at 31 December 2023 (CHF 642,649 at 31 December 2022).

The 3 panels amount to CHF 850,670 at 31 December 2023 (CHF 832,977 at 31 December 2022).

100. In 2023 a loss of CHF 94,910 was recorded (CHF 121,715 in 2022) and concerns 3 members who currently cannot be located. As per the Regulations their file will continue to be followed during 20 years.

101. It must be noted that, in 2023, La Mutuelle recovered the amount of CHF 4,400 on a debt that had been written off in 2020 as the debtor could not be located. It is recognized in the statement of financial performance

NOTE 13: Other Current Assets

102. Other current assets are distributed as follows:

	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
Trust Fund	8 809	13 093
Withholding tax to recover	790	446
Accrued interest on term deposits	306	-42
Accrued interest on bonds	420	416
Accrued interest on securities	10	6
Prepayments	15	51
Sundry debtors	120	64
Commissions to be received from insurers	108	444
TOTAL	**10 578**	**14 478**

NOTE 14: Property plant and equipment:

103. Changes in the net book value of tangible and intangible assets during the year are mentioned below:

Combined statement of property, plant and equipment

	IT Hardware in CHF 1 000	IT computer system in CHF 1 000	Website in CHF 1 000	Total in CHF 1 000
Gross value at 31 December 2021	106	115	25	246
Additions	-	24	10	34
Disposals	-39	-47	-25	-111
Gross value at 31 December 2022	**67**	**92**	**10**	**169**
Depreciation Fund at 31 December 2021	40	59	25	124
Depreciation	17	31	-	48
Disposals amortization	-39	-47	-25	-111
Depreciation Fund at 31 December 2022	**18**	**43**	**-**	**61**
Net value at 31 December 2021	66	56	-	122
Net value at 31 December 2022	**49**	**49**	**10**	**108**
Gross value at 31 December 2022	67	92	10	169
Additions	-	-	-	-
Gross value at 31 December 2023	**67**	**92**	**10**	**169**
Depreciation Fund at 31 December 2022	18	43	-	61
Depreciation	13	27	4	44
Depreciation Fund at 31 December 2023	**31**	**70**	**4**	**105**
Net value at 31 December 2022	49	49	10	108
Net value at 31 December 2023	**36**	**22**	**6**	**64**

104. At 31 December 2023 no asset has been pledged as collateral for debt.

NOTE 15: Members' deposits

Combined statement of members' deposits

	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
MUTUELLE - CHF Fund		
Current accounts	6 899	7 472
Deposit accounts	376 420	376 670
Subtotal	**383 319**	**384 142**
MUTUELLE - USD Fund		
USD accounts, equivalent in CHF	10 599	12 338
Subtotal	**10 599**	**12 338**
TOTAL	**393 918**	**396 480**

105. The CHF current and deposit accounts as well as the USD accounts (converted in CHF) decreased during the year 2023, respectively by 7.67%, 0.07% and 14.10%. Concerning the latter, it must be noted that the strenght of the Swiss franc again the US dollar accounted for 9% of this decline.

NOTE 16: Interest paid on CHF current and deposit accounts and USD accounts

106. Interest is credited on the CHF current accounts at the end of each fiscal year at a fixed interest rate.

107. Interest is paid monthly on the USD account on the basis of an interest rate reviewed each quarter.

108. The interest rate paid on the CHF deposit accounts depends on the result of the financial year. It is agreed, following the proposal of the Board of Directors, by the General Assembly which is held within six months following the end of each financial year. Interest is then credited to the members' accounts. The interest rate proposed for 2023 by the Board of Directors is 0.75% plus a bonus of 0.65%, or a total of 1.40% (2022: 0.50% plus a bonus of 0.85%, or a total of 1.35%). It corresponds to a payment of interest of CHF 4,900,419 (CHF 4,740,146 at 31 December 2022) recognized as a provision which will be added to the amount of deposits at year end.

NOTE 17: Ordinary and extraordinary reserve Funds

Combined statement of the ordinary reserve Fund

	2023 in CHF 1 000	2022 in CHF 1 000
Balance at 1 January	60 744	60 605
Statutory allocation	124	139
Balance at 31 December	**60 868**	**60 744**

Combined statement of the extraordinary reserve Fund

	2023 in CHF 1 000	2022 in CHF 1 000
Balance at 1 January	23 852	23 668
Allocation according to the annual result	-8 980	184
Balance at 31 December	**14 872**	**23 852**

109. The ordinary and extraordinary reserve Funds correspond to the capital of ICSMA.

The ordinary reserve Fund

110. At year-end closing, the ordinary reserve Fund should be between 8% and 12% of the balance sheet, less the reserves. If the ordinary reserve Fund is less than of 8% of total assets less the reserves, the Board of Directors shall take the necessary measures to achieve this objective at the end of the following financial year.

111. 12.50% of the revenue of each financial year of La Mutuelle and GPAFI must be allocated to the respective ordinary reserve Fund. However, if the latter exceeds 12% of the balance sheet less the reserves, the Board of Directors may decide to waive the statutory allocation if it deems it not necessary. Approval by the Ordinary General Assembly shall be required.

112. If the situation requires to use the ordinary reserve Fund of La Mutuelle and/or that of GPAFI, and that it is below 8% of the balance sheet of La Mutuelle, or respectively of GPAFI, less the reserves, the Board of Directors shall convene an Extraordinary General Assembly in order to obtain the agreement of the members, and present a detailed schedule for the recapitalization of the ordinary reserve Fund.

113. At 31 December 2023, the ordinary reserve Fund amounts to 14.91% of total assets less reserves (15.30% at 31 December 2022).

The extraordinary reserve Fund

114. An allocation to the extraordinary reserve Fund is done when the Board of Directors considers that an additional margin of safety is required.

115. The use of the extraordinary reserve Fund of La Mutuelle or GPAFI shall be presented by the Board of Directors to the Ordinary General Assembly for approval.

NOTE 18: Employee benefits

116. The following table shows the employee benefit liabilities at 31 December:

Employee benefits

	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
CURRENT LIABILITIES		
Accumulated leave	247	251
Home leave	13	14
TOTAL	**260**	**265**
NON-CURRENT LIABILITIES		
After-Service Health Insurance	3 137	3 005
Repatriation grant and travel	34	36
TOTAL	**3 171**	**3 041**

NOTE 19: Revenue from the activity

117. Revenue from La Mutuelle's activity comes from loans granted to members and from investments.

118. La Mutuelle grants its members ordinary and housing loans. The 2023 interest rate on the housing loan was 3.50%, while for the ordinary loan it was 5.90%. Interest income at 31 December increased to CHF 7,122,000 (CHF 6,876,000 at 31 December 2022) due to the rise of loans granted to members.

119. Bank interest, corresponding to the remuneration of term deposits and deposits with banks, increased to CHF 1,109,000 (CHF 113,000 at 31 December 2022) due to the rise of interest rates.

120. Income from bonds managed by ICSMA slightly decreased to CHF 984,000 (CHF 1,004,000 at 31 December 2022).

121. Income from management mandates amounted to CHF 628,000 (CHF 349,000 at 31 December 2022).

122. La Mutuelle net revenue / members' deposits ratio increased to 1.01% (-2.56% in 2022).

123. The revenue of GPAFI's activity comes from the contributions invoiced to the members as well as commissions paid by the insurers for the management of the collective contracts carried out by GPAFI in the field of promotion, information, advices, membership and individual billing. The 2023 revenue amounts to CHF 1,549,000 (CHF 1,476,000 at 31 December 2022).

124. Insurance premiums billed to members, recorded on the billing date in transitional accounts, are not considered as income as fully repaid to the insurers

Revenue

	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000
Gross revenue	15 132	1 070
Expenses	10 426	9 926
NET LOSS/REVENUE	**4 706**	**-8 856**
Allocated to the reserve Funds as follows:		
- Ordinary	106	125
- Extraordinary	4 600	861
TOTAL	**4 706**	**986**
Net La Mutuelle revenue /La Mutuelle members' deposits	1.01%	-2.56%
Interest rate proposed / paid on the CHF deposit accounts	0.75%	0.50%

125. The proposal of the Board of Directors on the allocation of the net income is detailed on page 16 of the present annual report.

NOTE 20: Operating expenses

	31.12.2023 in CHF 1 000	31.12.2022 in CHF 1 000	Variation
Staff costs	2 618	2 687	-3%
Financial fees	806	593	36%
Overhead expenses	152	160	-5%
Computer expenses	385	292	32%
Loan insurance	858	849	1%
Support costs UNOG	430	413	4%
TOTAL	**5 249**	**4 994**	**5%**

126. Staff costs are down by 3%.

127. Financial fees are up by 36% due to the currency exchange charge generated by the valuation of the Trust fund in USD expressed in CHF.

128. Overhead expenses are down by 5%.

129. Computer expenses are up by 32% due to the cost of implementing the changeover to new IT systems.

130. The cost of the loan insurance increased by 1% due to the rise in outstanding loans.

NOTE 21: Budget comparison

131. The Board of Directors approves annually a budget of operating expenses related to a work plan and future developments. The budget sets the maximum expenditures allowed in CHF for operating costs under each budget line. All major projects and expenses resulting must be approved by the Board of Directors.

132. Concerning La Mutuelle, the actual expenses of the two Funds are combined in CHF in order to be compared with the budgeted expenses, without, however, presenting the breakdown of the actual expenses between the two Funds.

133. The budget for IT expenditure was partially consumed, as the IT changeover begins on 1 January 2024. Expenditure is therefore lower than forecast.

Comparison of budgeted amounts and actual amounts

	2023			2022		
In CHF 1 000	Budget	Actual	Variation	Budget	Actual	Variation
Staff costs	2 790	2 618	172	2 622	2 687	-65
Overhead expenses	769	582	187	916	573	343
Computer expenses	1 204	385	819	1 629	291	1 338
Loan insurance	925	858	67	900	849	51
Negative interest	15	15	-	347	433	-86
Global custody	45	31	14	45	28	17
Expenses not covered by the budget						
- interests paid on accounts		4 963			4 743	
- loss on loans		145			137	
- other financial fees		760			133	
- allocation to provisions		25			3	
- Amortization of tangible and intangible assets		44			49	
TOTAL		**10 426**			**9 926**	

NOTE 22: Related-party disclosure

134. Members of ICSMA meet once a year in an ordinary General Assembly to approve the management of the previous year and determine the general policies of management of ISCMA.

135. ICSMA Board of Directors is composed of seven elected members. Each affiliated organization, thirteen in total, delegate a representative to attend meetings of the Board of Directors with an advisory capacity.

136. The Credit Committee consists of members of the Board of Directors.

137. The Investment Committee consists of the Treasurer, Vice-Treasurer of the Board of Directors, a staff member of one of the affiliated organizations, the Executive Secretary, the Chief of GPAFI, the Investment Officer and the Loan Officer. The composition of the Investment Committee must be approved by the Board of Directors.

138. The Executive Secretary and the Chief of GPAFI are recruited according to the procedures in force in the United Nations Office at Geneva. Their appointment must be approved by the Board of Directors. The Executive Secretary and the Chief of GPAFI shall act in accordance with Chapter 9 of the Statutes and the provisions of the Internal Regulations.

139. The Executive Secretary of La Mutuelle (grade P5), who is currently also in charge of GPAFI, is assisted in her task by the Investment Officer (grade P4) and the Loan Officer (grade P3). The remuneration paid during the year to these executives comprises the net salary and the post adjustment and amounts to CHF 551,217 (CHF 546,010 at 31 December 2022).

140. The members of the Board of Directors, Committees and Representatives shall receive no financial compensation from ICSMA.

141. Members of the Board of Directors, Committees, Representatives and employees can obtain loans, make deposits and take out insurance in similar conditions to other members. Loan applications submitted by the Executive Secretary and the Chief of GPAFI must be approved by the Board of Directors. If a member of the Board of Directors submits a loan application that requires the approval of the Credit Committee, he/she is not entitled to take part in the meeting of the Credit Committee. At 31 December 2023, loans amounted to CHF 1,127,154 (CHF 957,180 at 31 December 2022) and deposits to CHF 1,167,059 (CHF 1,206,625 at 31 December 2022). Some members of the Board of Directors and Committees, as well as some Representatives and ICSMA staff members use the services of GPAFI.

NOTE 23: Segment

142. As described in Note 3.13, La Mutuelle has two independent internal Funds, one in CHF and the other in USD. Therefore, segment information is based on the activities of each Fund and presented in Tables V to VIII.

143. The sole activity of GPAFI is brokerage in the field of life and health insurance.

NOTE 24: Events after the reporting date

144. No event after the date of closure having a significant impact on the financial statement for the 2023 financial year is to be noted subsequent to the signature of the financial statements and their submission to the Board of Directors for approval on 15 March 2024.

THE OVERSIGHT BODY'S REPORT

International Civil Servants' Mutual Associations of United Nations and Specialized Agencies

Geneva

Report of the statutory auditor
to the General Meeting on the financial
statements 2023

pwc

Report of the statutory auditor

to the General Meeting of International Civil Servants' Mutual Associations of United Nations and Specialized Agencies

Geneva

Report on the audit of the financial statements

Opinion

We have audited the financial statements of International Civil Servants' Mutual Associations of United Nations and Specialized Agencies (the Association), which comprise the statement of financial position as at 31 December 2023, statement of financial performance for the year then ended, cash flow statement, statement of changes in net assets and notes, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements as at 31 December 2023 comply with the association's articles of incorporation and give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Association in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Association Board's responsibilities for the financial statements

The Association Board is responsible for the preparation of the financial statements in accordance with the requirements of the Association's articles of incorporation, and for such internal control as the Association Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Association Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Association Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Association Board’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with the Association Board or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

PricewaterhouseCoopers SA

Patrick Wagner	Jonathan Darbellay
Licensed audit expert Auditor in charge	Licensed audit expert

Geneva, 22 April 2024

MINUTES OF THE ORDINARY GENERAL ASSEMBLY OF 19 JUNE 2023

Mr. Thomas Neufing, President of the Board of Directors, welcomes the members and opened the Annual General Assembly.

In accordance with Article 18 of the Statutes, the statutory quorum of 40 members is reached and the 2023 General Assembly can be held. Mr. Thomas Neufing introduced the members of the Board of Directors as well as the auditors, PricewaterhouseCoopers SA (hereafter PwC), represented by Mr. Marc Secretan.

Mr. Thomas Neufing asked the Secretary of the Board of Directors, Ms. Prisca Chaoui, to read the agenda.

1. Election of the President of the ordinary General Assembly

Mr. Thomas Neufing proposed to the assembly the nomination of Mr. René Vargas as President of the meeting. This proposal was accepted unanimously.

Mr. René Vargas asked the assembly if it wished to adopt the decisions as last year, namely by consensus. In the event of opposition a vote would then be taken. This proposal was approved unanimously.

2. Report of the Board of Directors for 2022

Mr. Neufing began by recalling the shaky financial environment, which includes the takeover of Credit Suisse by UBS. Although the situation may have given rise to fears, it was with serenity that this turbulent episode was crossed, notably thanks to the asset management objective of minimizing risks and protecting members' assets. It is with this in mind that, since the 2007 subprime crisis, the Board of Directors has strengthened the measures already in place by, for example, significantly increasing reserves (CHF 77 million in 2022 compared to CHF 29 million in 2007 for La Mutuelle alone), entrusting the monitoring of investments to two banking institutions, recruiting an investment officer and by forming an Investment Committee. The effectiveness of this strategy has been demonstrated this year as the Association has been only slightly affected by the banking turmoils, and that operations are continuing normally.

To minimize risk, La Mutuelle's assets are split between loans to members, deposits with banks and bonds. As far as the valuation of bonds is concerned, depending on the level of interest rates it may rise or fall over the years. But the important advantage is that, at maturity, a bond is repaid in full, without loss.

The year 2022 was also busy for GPAFI with Zurich Insurance terminating the loss of salary and accident insurance contracts due to the lack of compliance with legislation governing group insurance contracts. Mr. Pizzini explained that negative interest rates implied that insurance companies were not getting the return on investment to which they were used to, resulting in a more cautious policy and a review of the current insurance portfolios. Therefore, it's no surprise nor coincidence that the question of compliance with Swiss group insurance practices was raised. In order not to leave retired members and family members without coverage, the Board of Directors searched for alternatives in the financial and insurance markets by hiring a consultant. As a result, from 1 January 2023, MGEN, one of France's leading insurers, has taken over Zurich Assurance's coverages. The Board of Directors also reviewed the contractual arrangements with SwissLife for the life insurance, fearing that the latter could not guarantee a stable long-term relationship, especially as an annual termination clause was included in the contract. Given the difficulties in the financial sector, as described above, the Board of Directors wished to find another option that would enable GPAFI members to benefit from a long-term relationship. It is pleased to inform that, after approaching several international insurers, La Mobilière, a Swiss company, was chosen as offering almost identical conditions to those currently in force. The contract with SwissLife has therefore been terminated on 31 December 2023. Members who are covered by the SwissLife contract are encouraged to contact La Mobilière should they wish to maintain a coverage and continue to protect their family financially.

Mr. Neufing continued by saying that GPAFI's result for the year reached CHF 941,000. While revenue is up by 6%, due to an unrealized foreign exchange gain, expenses were also up by 19%, mainly due to the change of insurers. However, as announced during the 2022 General Assembly, the solid result will enable to temporarily freeze, from 1 January 2023, the deduction of administrative costs, which amount to CHF 1 per person and per insurance contract, to reduce the cost paid by members. In the current environment of rising prices this is welcome news, and the Board is committed to continue to work in this direction.

GPAFI's and La Mutuelle's ordinary and extraordinary reserves are high and solid, and the 2022 financial year has shown the importance of having this significant safety cushion to cope with turbulence without jeopardizing the Association's sustainability.

The updated risk analysis, carried out by the Association, and the two audits, carried out by PwC, did not give rise to any comments other than those already made, which still concern IT. Measures have been taken to reinforce the systems and further minimize risks, including a change of servers for La Mutuelle, the setting up of a test environment separate from the backup for both entities, and a data backup is now carried out off-site for GPAFI. Joint work with our IT colleagues at UNOG has enabled us to make progress on the change of IT systems, but fundamental choices such as the architecture and application take time and need to be carefully considered.

Year after year, the Board of Directors has emphasized the importance of the precautionary principles in the conduct of business through a prudent investment management and the maintenance of a high level of reserves. Thanks to this strategy, the temporary decline in the year's results and the current financial upheavals do not call into question its future. The Board of Directors reiterates its unfailing commitment to prudent management of the Association, with the aim of continuing to safeguard the interests of depositing members, enabling others to borrow with extremely favorable terms, and improving health coverage. This strategy is proving to be highly effective, particularly since the pandemic, and must be pursued to maintain the objective of helping.

Mr. Neufing warmly thanked all the members for the trust they have placed in the Association, year after year, despite the sometimes-difficult environment, as well as the staff members of the Association who do an outstanding job.

Mr. Vargas asked the assembly if there were any questions, which there were not. The Board of Directors' report was approved by the assembly by consensus.

3. Presentation of the financial statements at 31 December 2022

Mr. Hauser began by mentioning that, through the Credit Committee's perspective, 2022 was excellent for ordinary and housing loans, and this is probably due to the fact that La Mutuelle maintained its interest rates unchanged in a context of rising rates. Granted housing and ordinary loans increased respectively by 19.15% and 30.53%, a positive result especially considering that it is the Association's main activity. As loans to members increases, the need to invest in the financial markets decreases, and the aim of the Investment Committee is to preserve members' funds and not to make money by taking unconsidered risks. What happened during 2022 was exceptional in terms of negative performance, namely -20% for equities, in which the Association is not invested, and -17% for bonds. 2022 was a very bad year for investments which impacted the year's result.

La Mutuelle's assets are mainly invested in loans to members, but also in bank deposits, management mandates and bonds. In the latter two categories investments are made in low-risk bonds, while management mandates are bond portfolios managed by banks on behalf of La Mutuelle. The investment criteria are strict, i.e. minimization of risks and selection of quality bonds. At the end of each year, the Association has to value these portfolios according to the market value, with variations that can be upward or downward as it was the case last year. However, although the loss recorded is unrealized, as the objective is to hold the securities over the long term, annual accounting requires this approach. Bonds purchased directly by the Association and held to maturity are, on the other hand, valued at the book value, thus avoiding annual fluctuations. Mr. Hauser mentioned that the banking institution which gives an opinion on investments has complimented the Association for the performance recorded on the direct management.

In terms of income distribution, the majority comes from loans granted to members, the main and preferred source of income. The management mandates showed a loss of CHF 7.7 million due to the macro-economic environment, rising interest rates and accounting process. The recovery of their value is therefore a matter of time, and 2023 should register a positive valuation.

Mr. Hauser commented the yield curve in CHF over the last 10 years, which shows a significant decline and has a direct impact on the management of the Association's assets since bond yields have become very low and even negative. For that reason, La Mutuelle has turned to management mandates offering better diversification and higher return. It should be noted that the investment strategy is currently under review to consider the recent sharp rise in interest rates we faced, which almost makes us forget the years we spent with negative rates.

Regarding the remuneration of the CHF Fund, and considering the fact that, even though the annual result amounts to CHF - 9.8 million, of which CHF 8.7 million correspond to unrealized losses, the Board of Directors recommends the distribution of the same remuneration as last year, i.e. 1.35%, as the reserves (CHF 65 million) and the balance sheet are solid. Both La Mutuelle's USD Fund and GPAFI posted positive results.

A member talked about the Swiss inflation, i.e. 0.60% in 2021 and 2.80% in 2022, and felt that, if we compare these figures with the remuneration offered on the CHF deposit account, the latter is 1.50% lower, meaning that members are losing money. Mr. Hauser replied that, on the principle, the member is right and the proposed remuneration does not, indeed, cover inflation.

However, it is necessary to separate the notions of cost and income and to consider investment opportunities which, for a similar account, do not offer such a return. Mr. Pizzini added that, since 2014, inflation has always been lower than the remuneration proposed by La Mutuelle, or even negative, and that 2022 has seen a correction. Ms. Fleury also confirmed that La Mutuelle's strategy is to maximize revenue (by minimizing risks) to be able to pay the operating expenses and distribute the surplus to members. Its vocation is not to take more risks, but to do better than what is offered by the banks for a similar product. The member wished to add that his expectations, when depositing funds with La Mutuelle, is at least to preserve the purchasing power, and that this objective has not been achieved in 2022. But he hopes that the next few years will be more favorable.

Mr. Vargas asked the assembly if there were any questions, which there were not.

4. Report of the Oversight body for 2022

Mr. Secretan presented the report of the Auditors related to ICSMA's annual accounts, reminding that the financial statements have been audited in accordance with the International Public Sector Accounting Standards (IPSAS) and the International Auditing Standards (ISA), and that the financial statements for the year ended 31 December 2022 are free from material misstatement, comply with legal requirements and the Articles of Association and give a true and fair view of the assets, liabilities, financial position and results. Consequently it recommends the assembly to approve the financial statements submitted.

Mr. Vargas asked the assembly if there were any questions, which there were not. The report of the Oversight body was approved by the assembly by consensus.

5. Approval of the 2022 Financial statements

Mr. Vargas asked the assembly if it approves the 2022 financial statements, which it does by consensus.

6. Approval of the distribution of the revenue for the 2022 financial year of La Mutuelle's CHF Fund

The Board of Directors proposed to distribute the same remuneration on the CHF deposit account as for 2022, i.e. 1.35%, split between an interest rate of 0.50% net and an exceptional bonus of 0.85%. The solidity of the financial statements, notably with reserves amounting to 15 times the annual operating expenses, would not justify a decrease. This remuneration is well above the one proposed by the local financial place for 2022.

Mr. Vargas asked the assembly if there were any questions, which there were not. The proposal related to the distribution the surplus income was approved by consensus.

7. Report on ICSMA's activity at the end of the first half of 2023

Ms. Fleury pointed out that the beginning of 2023 was mainly marked by movements on the US financial markets, particularly affecting the domestic banking sector and contaminating more vulnerable institutions such as Credit Suisse. The highlight at the beginning of the year was the disappearance of one of Switzerland's flagships, Credit Suisse, and its takeover by UBS, saving it from a probable bankruptcy motivated by difficulties linked to poor management over several years. The Association works with Credit Suisse and has assets deposited with the bank. When the risk analysis was updated in 2022, the bank's weighting was deemed too high, leading to a significant withdrawal of funds, which were transferred to other institutions to minimize risk. La Mutuelle also benefits from a securities custody agreement with Credit Suisse, which is not affected in the event of a bankruptcy. Due to the fact that the contract expires at the end of the year a tender is currently underway. As La Mutuelle now has investments with UBS and Credit Suisse which, logically, will be combined, it has become necessary to find another banking institution to diversify assets and reduce risks.

La Mutuelle recorded fund withdrawals of around 1.5% following the takeover of Credit Suisse by UBS. A similar movement was observed during the subprime crisis as members realized that it might not be wise to put all eggs in one basket, and that a diversification of banking institutions might be necessary.

The end of negative interest also has a positive effect for La Mutuelle as this charge is no longer due. Ms. Fleury recalled that, when a member deposited funds into his account with La Mutuelle, the latter had to pay negative interest on it. Despite this charge the Board avoided having to deduct negative interest from members' accounts.

From 1 July the freeze of deposits into the CHF current account will be lifted and an interest of 0.10% distributed.

Loan applications have risen sharply thanks to the attractive interest rates offered by La Mutuelle.

GPAFI enjoys steady, stable and healthy growth.

8. Other business

A member warmly thanked La Mutuelle and mentioned that the trust factor is extremely important and that over the years it has remained stable and perhaps even increased although some employees, who have been in post for many years, have retired. She would like to know who represents retired members on the Board, what proportion of La Mutuelle members are retired, and suggests including, in the annual report, a brief presentation of the Board members and their photos to know them better. She is also surprised to learn that La Mutuelle is also called ICSMA and hopes that the Association's choice of banks takes their reputation into account. Finally, she asked whether it would be possible to offer financial advices to members.

Ms. Fleury replied that 20% of La Mutuelle members are retired. She added that "ICSMA" stands for "International Civil Servants Mutual Associations" and is the English name of the "Association des Mutuelles des Fonctionnaires Internationaux" (AMFI). A brief presentation of the Board members will be given in the next annual report. Concerning the representation of retired members on the Board, this point had already been addressed several years ago, and the problem was linked to the fact that in the event of a breach by a retired Director, the United Nations Regulations could not be applied to him/her under any circumstances, which represents a significant risk if he/she must be prosecuted. Consequently, retired members are currently represented by the Staff Union until this fundamental issue is resolved. Ms. Fleury added, however, that retired members have always been considered, and refers to the termination of the contract with Zurich Insurance, since the latter was prepared to keep only active members which the Board did not accept, wishing to maintain coverage for all members and their family members, hence the change of insurer. Regarding financial advices, Ms. Fleury pointed out that, every year, during the pre-retirement seminar, a presentation called "How to take care of your money" is given to participants and simply explains the financial basics. As for the choice of banks, she added that a bank's reputation is very important, and that the Board of Directors seeks advice from third parties, including external auditors.

Another member referred to the impossibility, for retired members, to deposit their monthly pensions in La Mutuelle's accounts, decided following the failure of some members to declare this income to the tax authorities, and wished to know whether a change is foreseen. She also asked whether the Association was considering collaborating with the Swiss cantonal banks. Ms. Fleury replied that the freeze on monthly pension payments was still in place, but that the Board of Directors would be reviewing this decision towards the end of the year. As far as the cantonal banks are concerned, the Association is already working with the Banque Cantonale de Genève. However, it must be stressed out that not all cantonal banks have the capacity to meet the needs of large institutional clients.

A member wished to know whether there were any Credit Suisse risky securities in the bond portfolio. Mr. Humair replied that there were Credit Suisse bonds in the portfolio, which have now been redeemed, but there were no risky securities.

As there were no further questions, the 2023 Ordinary General Assembly was closed at 1:40 p.m.