

**Annual Report 2012.
Helvetia Group Foundation for Employee Pensions.**

2012

2012: challenges met successfully.

Dear readers,

Right from the start, the external conditions in financial year 2012 were not necessarily optimistic. Interest rates remained low, debt rescheduling in Europe and the USA was in full swing and sovereign debt in various countries pre-occupied not only international politicians, but, above all, the populations affected by unemployment and a loss of prosperity.

It is all the more pleasing that Helvetia Group Foundation can present good overall results for 2012. The influx into the full insurance model continues unabated. This is clearly demonstrated by the fact that Helvetia Group Foundation was able to gain additional market shares despite continued difficult market conditions. As expected, growth flattened out somewhat compared to the extraordinary prior year, but is still above the market average. This is thanks not least to the very high level of customer loyalty. In addition, Helvetia Group Foundation increasingly managed to convince brokers, a sales channel that is becoming more and more important, of the quality of its products and services.

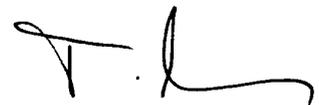
The structural reform of occupational benefit schemes entered a key implementation phase in 2012. The Board of Foundation approved various documents arising from the requirements of the structural reform, such as the general information for the integrity and loyalty provisions.

Following the conclusion of the structural reform, occupational benefit schemes in Switzerland are already facing new changes. The Federal Council's "Reform Package 2020" is the subject of intense debate within the Swiss Insurance Association (SIA). Helvetia particularly welcomes the transparency requirements of this package and supports all SIA pension system reform measures. By actively participating in various commissions, committees and bodies, Helvetia is supporting the necessary change process. Nevertheless, it should not be overlooked that the growing regulatory activity in the area of occupational benefit schemes often yields only minimal benefits for the affiliated companies and active participants, and in the case of providers often leads to higher implementation and monitoring efforts and therefore higher costs.

Regardless of the challenging general conditions, transparency and reliability will continue to be the basic values that underpin the actions of Helvetia Group Foundation and on which you as a customer can depend. We look forward to our continued collaboration and would like to thank you for your trust.



Mirjam Brucker
Chair of the Board
of Foundation



Thomas Klaiber
Managing Director

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The Annual Report of Helvetia Group Foundation is published in German, French, Italian and English. Should the French, Italian or English versions deviate from the original German text, the German text shall be binding.

Annual review 2012.

Portfolio development

As expected, the very strong growth in the number of affiliated pension plans and active participants over the last few years weakened slightly in the year under review. Both the number of affiliated companies and the number of active participants are still growing significantly, which shows that the full insurance model has not lost any of its appeal.

Key figures

	2012	2011	Change absolute	Change in %
Contributions (in CHF million)				
Regular contributions employees and employers	777.1	735.4	41.7	5.7
Entry lump-sum transfers and new contracts	822.3	1 081.5	-259.2	-24.0
Portfolios				
Affiliated pension plans	10 921*	9 618*	1 303*	13.5*
Active participants	91 642	86 714	4 928	5.7
Actuarial reserve (in CHF million)	7 559	7 107	452	6.4

* See comment on page 10.

Rate of interest on the retirement savings capital 2012

In 2012, the retirement savings capital in the mandatory area earned interest at the rate determined by the Federal Council of 1.5%; in the non-mandatory area it earned interest at 1.0%. The interest rate that is applied for the extrapolation of the assumed retirement benefits (projected interest rate) was set at 2.25%.

Quick access via internet

The Annual Report as well as further interesting information about Helvetia Group Foundation can be accessed easily and straightforwardly at www.helvetia.ch/helvetia-foundation.

Portrait.

Helvetia Group Foundation was founded in 1961 and can boast many years of experience as a provider of needs-based pension solutions in the area of mandatory occupational benefit schemes. At the end of 2012, around 11,000 companies were affiliated. The safety of the pension assets entrusted to it and the sustainable stability of the foundation form the utmost priority.

Guaranteed security

Helvetia Group Foundation offers the comprehensive security of the full insurance model: all the benefit entitlements are hedged via a collective insurance contract (also known as a full insurance contract) with Helvetia. The foundation therefore transfers the risks associated with disability, death and longevity, the investment risks for the pension assets entrusted to it and the management of the scheme to Helvetia.

The full insurance contract guarantees that Helvetia Group Foundation will always be able to meet its obligations vis-à-vis the active participants and pensioners. This means there will never be any underfunding. The affiliated employers and employees benefit from this not only in the form of the greatest possible security for their pension assets; they will also never have to make solidarity payments for the solvency of the foundation.

Support from a strong partner

In Helvetia, Helvetia Group Foundation has the support of a partner that knows how to deal with risks. Helvetia Swiss Life Insurance Company Ltd is the fourth largest collective life insurance company in Switzerland and it can look back on over 150 years of experience.

The supervisory security provisions and control mechanisms for Swiss life insurance companies are extremely tight. In contrast to the provisions to which autonomous pension funds are subject, those for Swiss life insurance companies come into force even before the obligations vis-à-vis the participants can no longer be fully covered.

Competent...

The density of regulations within the legislation and the complexity of the framework requirements for occupational benefit schemes are constantly increasing. This means that professionalism in implementing occupational benefit schemes is becoming increasingly important. By delegating the management of such schemes, the affiliated pension plans benefit from the know-how of Helvetia's highly specialised employees.

...and individual

The expectations for occupational benefit schemes are as many and varied as the affiliated companies and their employees. By offering a comprehensive range of benefit plans, Helvetia Group Foundation acknowledges this individuality. Thus it is guaranteed that the occupational benefits insurance is in line with the needs of the individual company and that it can keep pace with that company's developments.

Financial statements 2012.

Balance sheet

in CHF	31.12.2012	31.12.2011
Assets		
Entitlements to shares in Helvetia Investment Foundation	6 506 125.50	8 792 735.55
Entitlements to Helvetia Investment Foundation real estate	1 158 999.05	0.00
Liquid funds	2 156 733.03	75 197.68
Accounts receivable	294.10	229.80
Foundation investments	9 822 151.68	8 868 163.03
Investments in securities for the account and risk of the pension plans	8 264 708.30	7 852 293.61
Receivables from affiliated employers	85 282 079.17	92 143 907.34
Receivables from Helvetia	598 221 624.31	544 535 302.05
Liquid funds	45 121.02	37 387.25
Investments for pension plans	691 813 532.80	644 568 890.25
Prepayments and accrued income	29 811 034.74	27 626 387.29
Assets from insurance contracts	7 559 366 929.05	7 106 894 936.64
Total	8 290 813 648.27	7 787 958 377.21
Liabilities		
Termination benefits and pensions	73 006 502.45	61 638 815.60
Liabilities vis-à-vis Helvetia	85 282 079.17	92 143 907.34
Other liabilities	3 151 378.70	2 954 995.15
Liabilities	161 439 960.32	156 737 718.09
Accrued liabilities and deferred income	208 210 416.33	187 537 929.62
Employer-paid contribution reserves	146 908 598.63	136 713 399.63
Liabilities under insurance contracts	7 559 366 929.05	7 106 894 936.64
Regulatory tied funds	535 990.55	823 834.50
Pension liabilities and actuarial reserves	7 559 902 919.60	7 107 718 771.14
Foundation reserve for fluctuations in asset value	1 533 000.00	1 758 400.00
Non-committed funds of pension plans	204 607 235.72	190 427 989.71
Foundation's non-committed funds		
Balance at the beginning of the period	7 064 169.02	7 816 154.12
Interest	0.00	0.00
Income/Expense surplus	1 147 348.65	-751 985.10
Balance at the end of the period	8 211 517.67	7 064 169.02
Total	8 290 813 648.27	7 787 958 377.21

Operative account

in CHF	2012	2011
Employee contributions	357 246 067.40	334 801 744.50
Employer contributions	419 928 033.51	400 600 781.02
Contributions from third parties	2 463 243.75	2 357 437.50
One-time payments and purchase amounts	66 174 110.15	61 728 868.95
Transfers to employer-paid contribution reserves	19 385 206.76	16 033 475.70
Transfers to regulatory tied funds	0.00	496 755.60
Payments from guarantee fund	4 454 504.75	3 798 203.01
Ordinary and other contributions and transfers-in	869 651 166.32	819 817 266.28
Termination benefit transfers	496 834 067.16	560 666 395.37
Reimbursements of withdrawals for home ownership/divorce	15 395 466.55	15 903 489.60
Transfers from new contracts	310 081 396.96	504 972 932.90
Entry lump-sum transfers and new contracts	822 310 930.67	1 081 542 817.87
Inflow from contributions and entry lump-sum transfers	1 691 962 096.99	1 901 360 084.15
Retirement pensions	-77 357 109.15	-66 879 659.95
Survivors' pensions	-13 630 416.90	-12 509 844.90
Disability pensions	-39 404 011.69	-39 309 814.02
Other regulatory benefits	-46 347 846.85	-43 794 843.19
Lump-sum payments on retirement	-140 661 235.75	-128 533 777.09
Lump-sum payments on death or disability	-27 853 995.25	-21 127 145.85
Regulatory benefits	-345 254 615.59	-312 155 085.00
Termination benefits for leavers	-613 773 662.85	-628 423 031.61
Withdrawals for encouragement of home ownership/divorce	-46 730 133.55	-51 783 711.60
Benefits from termination of contracts	-146 257 795.55	-90 705 452.93
Termination benefits and termination of contracts	-806 761 591.95	-770 912 196.14
Outflow for benefits and withdrawals	-1 152 016 207.54	-1 083 067 281.14
Decrease/Increase in regulatory tied funds	290 626.10	-460 453.80
Decrease/Increase in non-committed funds	-12 951 330.40	-25 378 264.42
Decrease/Increase in contribution reserves	-9 141 257.81	-10 105 786.72
Decrease/Increase in pension liabilities, actuarial reserves and contribution reserves	-21 801 962.11	-35 944 504.94
Insurance benefits	1 129 447 500.64	1 062 594 265.61
Share of insurance surpluses	44 872 586.05	33 097 933.45
Income from insurance benefits	1 174 320 086.69	1 095 692 199.06
Insurance premiums	-794 062 295.23	-750 113 344.63
One-time contributions to insurances	-895 254 686.30	-1 124 971 449.25
Contributions to guarantee fund	-3 147 032.50	-2 955 703.25
Insurance cost	-1 692 464 014.03	-1 878 040 497.13
Net result of insurance activities	0.00	0.00

in CHF	2012	2011
Interest income on receivables	5 906 553.52	7 247 801.77
Interest on regulatory tied funds	-2 782.15	-3 145.40
Interest on non-committed funds	-628 690.60	-705 171.21
Interest expense for liabilities	-4 552 032.68	-5 862 126.90
Interest expense for employer-paid contribution reserves	-723 048.09	-677 358.26
Net result on investments of pension plans	0.00	0.00
Income from investments in securities	930 118.11	-402 441.09
Interest on employer-paid contribution reserves	-330 893.10	138 742.70
Interest on non-committed funds	-599 225.01	263 698.39
Net result on individual investments of pension plans	0.00	0.00
Yield entitlements Helvetia Investment Foundation	1 309 708.85	-784 778.70
Net result on investments of foundation's non-committed funds	1 309 708.85	-784 778.70
Income from services rendered	622 976.72	595 125.36
Other income	622 976.72	595 125.36
General administration	-820 696.92	
Auditors and pension fund actuary	-107 440.00	
Supervisory authority	-82 600.00	
Administrative expense	-1 010 736.92	-772 731.76
Income/Expense surplus before decrease in reserves for fluctuations in asset value	921 948.65	-962 385.10
Decrease/Increase in reserves for fluctuations in asset value	225 400.00	210 400.00
Income/Expense surplus after decrease in reserves for fluctuations in asset value	1 147 348.65	-751 985.10

Explanatory notes to the financial statements.

1 General information and organisation

1.1 Legal form and objectives

Helvetia Group Foundation for Employee Pensions (hereinafter the foundation) is a collective foundation within the meaning of Art. 80 et seq. of the Swiss Civil Code (SCC) that was set up by Helvetia Swiss Life Insurance Company Ltd.

The foundation provides occupational benefits insurance for employees and employers in the event of old age or earning disability and for their survivors in the event of death. The occupational benefits insurance is primarily provided in accordance with the LOB and other social insurance laws. However, the foundation can grant benefit coverage over and above the mandatory benefits to be insured.

1.2 LOB registration and guarantee fund

The foundation is entered in the register for occupational benefit plans within the meaning of the provisions of the LOB. It is subject to the Federal Law on Vesting in Occupational Old-Age, Survivors' and Disability Benefit Plans (LVOB) and thus affiliated to the LOB Guarantee Fund (register no. C1.22).

1.3 Plan statutes and regulations

■ Foundation instrument

07.12.1961, last updated 08.06.2009

■ Organisation rules

October 2007

■ Election rules

April 2009

■ Pension fund regulations

January 2011

■ Partial liquidation regulations

June 2009

■ Regulations on provisions

April 2009

1.4 Actuaries, auditors, advisors, supervisory authority

■ Auditors

KPMG Ltd, Zurich

■ Pension actuaries

Dipeka Ltd, Basel, Dominique Koch

■ Supervisory authority

BVG- und Stiftungsaufsicht beider Basel (BSABB)

1.5 Supreme body/authorised signatories

The members of the board of foundation, the managing company Helvetia Swiss Life Insurance Company Ltd and any other authorised signatories have a collective authority to sign with dual signature authority.

1.5.1 Board of foundation

■ Employer representatives

- Jean-Claude Diener, member
- Hanscaspar Kühnis, vice-chair
- Paul-Albert Nobs, member
- Fritz Zahnd, member

■ Employee representatives

- Mirjam Brucker, chair
- Rafael Bucher, member
- Monika Freund, member
- Ralph Ruoss, member (until 29.02.2012)
- Marc Rauber, member (since 01.03.2012)

■ Other authorised signatories

- Philipp Ammann
- Donald Desax
- René Eggimann
- Angela Godoy
- Thomas Klaiber
- Beat Müller
- Martin Müller

The manager can designate further authorised signatories for the conduct of daily business.

1.6 Affiliated employers

Number	2012	2011
As at 31.12. prior year	9 618	9 805
Changes compared to prior year	1 303	-187
As at 31.12. year under review	10 921	9 618

The method for determining the number of affiliation contracts was amended in comparison with the prior year. Calculated using the new method, the number of contracts as of 31.12.2011 was 10,403. Compared to the prior year, this results in a change of 518 contracts for 2012.

2 Active participants and pensioners

2.1 Active participants

Number	2012	2011
As at 31.12. prior year	86 714	80 214
Changes compared to prior year	4 928	6 500
As at 31.12. year under review	91 642	86 714

2.2 Pensioners

Number	31.12.2012	Change	31.12.2011
Retirement pensioners	6 319	602	5 717
Recipients of pensioner's children's pension	44	10	34
Recipients of disability pension	2 949	12	2 937
Recipients of disabled's children's pension	671	-12	683
Recipients of spouse's pension	1 371	86	1 285
Recipients of orphan's pension	260	13	247
Total	11 614	711	10 903

3 Implementation of objectives

Affiliation with the foundation is carried out by means of the conclusion of an affiliation contract between the employer and the foundation. The affiliated companies form separate pension plans within the foundation. The pension benefits agreed for the individual pension plans are guaranteed by means of a collective insurance contract with Helvetia Swiss Life Insurance Company Ltd (hereinafter Helvetia), dated 23.12.2009.

3.1 Characteristics of the pension plan

Every pension plan has its own benefit plan as part of the mandatory occupational benefit scheme. The retirement benefits are based on the defined contribution plan, the risk benefits on either the defined benefit plan or the defined contribution plan, depending on the pension plan and benefits.

3.2 Financing, financing method

Financing is governed separately for each pension plan. As a rule, the financing of the benefit costs is carried out by the employees and employers, whereby the employer must meet at least 50% of such costs.

4 Significant accounting policies and valuation methods, consistency

4.1 Statement of compliance with Swiss GAAP FER 26

The accounts are prepared in accordance with the special accounting recommendations of Swiss GAAP FER 26, version dated 01.01.2004, revised as of 01.01.2009.

4.2 Significant accounting policies and valuation methods

4.2.1 Significant accounting policies

The financial statements comprise the balance sheet, the operative account and the explanatory notes. They contain the figures for the prior year.

The explanatory notes contain additional facts and information on the investments and the financing and on individual positions in the balance sheet and the operative account. Events following the balance sheet date must be disclosed if they will materially affect the assessment of the position of the pension plan.

4.2.2 Valuation methods

Liquid funds	Par value
Securities	Market value
Accounts receivable	Par value less amortisation
Prepayments and accrued income	Par value
Individual investments	Market value

5 Actuarial risks/risk benefit coverage/coverage rate

5.1 Type of risk benefit coverage, re-insurance

The risks of old age, death and disability as well as the cost-of-living adjustment for LOB risk benefits are guaranteed for every pension plan by means of a collective insurance contract with Helvetia, dated 23.12.2009.

5.2 Comments on assets and liabilities from insurance contracts

The assets and liabilities under insurance contracts listed in the balance sheet amounting to CHF 7,559,366,929 (prior year: CHF 7,106,894,937) comprise the retirement savings capital of the active participants which have been invested and are managed by Helvetia.

in %	2012	2011
Interest on LOB mandatory savings capital	1.5	2.0
Interest on LOB non-mandatory savings capital	1.0	1.5

All pensions are re-insured. They have no surrender value and therefore are not shown on the balance sheet. The actuarial reserve for pensioners equals CHF 2,443,270,000 (prior year: CHF 2,324,280,000). The calculation and payment of the inflation adjustment on the LOB pensions is carried out by the re-insurer.

in CHF	31.12.2012	31.12.2011
Retirement savings capital in accordance with the LOB (shadow account)	4 488 121 557	4 199 686 090
LOB minimal interest rate	1.5%	2.0%

5.3 Conclusions of the last actuarial report

The pension actuary confirmed in his report dated 22.02.2013 that, as per 31.12.2012, the foundation is able to fulfil its obligations and that no other technical provisions need to be accrued.

5.4 Actuarial principles and other significant actuarial assumptions

Based on the congruent cover of all the insurance risks it is not necessary for the foundation to accrue actuarial reserves.

At the level of the individual pension plans the following positions can be identified, which appear in the balance sheet as regulatory tied funds at foundation level.

in CHF	31.12.2012	31.12.2011
Invested with Helvetia		
Regulatory tied funds	535 991	823 835

5.5 Changes in actuarial principles and assumptions

There are no changes compared with the prior year.

5.6 Employer-paid contribution reserves with renounced use

There are currently no employer-paid contribution reserves with renounced use.

5.7 Funded status under Art. 44 OOB 2

There is a collective life insurance contract with Helvetia that covers all regulatory pension benefits (so-called full insurance model). The foundation therefore transfers to Helvetia all the biometric risks associated with the management of the occupational benefits insurance as well as the investment risk. This means that the obligations of the foundation are completely covered at all times. In principle, the foundation can therefore not suffer from underfunding.

6 Explanatory notes on investments and net result of investments

6.1 Organisation of investment activities, investment rules and regulations

All the assets from insurance contracts are transferred to Helvetia and then invested. The investment of the funds by Helvetia is governed in the following documents:

- Strategic measures: Strategy 2006–2010, record of the meeting of the Investment and Risk Committee of Helvetia dated 22.08.2006
- Helvetia Group investment guidelines, version dated 03.11.2009, and implementation guidelines for Market Switzerland, version dated 28.10.2009

6.2 Target reserve for fluctuations in the foundation's asset value and calculation of the reserve

in CHF	2012	2011
Reserve for fluctuations in asset value as at 01.01.	1 758 400	1 968 800
Decrease/Increase in reserves for fluctuations in asset value	-225 400	-210 400
Reserve for fluctuations in asset value as at 31.12.	1 533 000	1 758 400
Target reserve for fluctuations in asset value	1 533 000	1 758 400

The target reserve for fluctuations in the foundation's asset value equals 20% of the market value of the investments.

6.3 Breakdown of investments into investment categories

In principle, all the capital is invested with Helvetia.

Subject to certain requirements, the foundation offers its affiliated pension plans the opportunity to invest the regulatory tied funds, the non-committed funds, the liabilities and the employer-paid contribution reserves in entitlements in an investment foundation. As part of the "acompa benefit" product, it offers those qualifying pension plans a large amount of co-determination in the investment of the assets. The pension fund assets thus invested are listed under the position "Investments in securities for the account and risk of the pension plans". Any price changes affect the non-committed pension fund assets of the relevant pension plans directly. At ten, the number of pension plans with individual investments of non-committed pension fund assets is unchanged compared to the prior year.

In contrast, the foundation has made own investments totalling around CHF 9,822,151.68 (prior year: CHF 8,868,163.03).

6.4 Securities lending

Both the foundation and the individual affiliated companies hold only units in collective investments and do not carry out any securities lending on their own behalf. No statements can be made regarding any securities lending within the collective investments.

6.5 Information on valid regulations regarding retrocessions

The assets of the foundation as well as some of the investments for the account and risk of the pension plans are invested with Helvetia Investment Foundation. There is written confirmation by Helvetia Investment Foundation that it does not receive any retrocessions, kick-backs or similar payments from third parties.

6.6 Comments on net result of investments

Three sub-totals from the investments are reported in the operative account.

In the "Net result on investments of pension plans" position, interest on the assets invested with Helvetia is recognised. The interest received from Helvetia is credited to the corresponding investments. The invested capital comprises the regulatory funds, the non-committed funds, the employer-paid contribution reserves of the pension plans as well as the liabilities to the beneficiaries.

The position "Net result on individual investments of pension plans" shows the income generated of CHF 930,118.11 (prior year: CHF -402,441.09) and its appropriation by the pension plans.

The position "Net result of investments foundation's non-committed funds" shows the yield that the foundation was able to achieve by investing the loan that was granted by Helvetia at the time of foundation. The corresponding loan was repaid to Helvetia on 31.12.2004. The result in the current year was CHF 1,309,708.85 (prior year: CHF -784,778.70). This amount was credited to the foundation's non-committed funds.

As no binding instructions had been received from the OAK BV as at the balance sheet date for the reporting of asset management expense, the provisions of Art. 48a para. 3 OOB 2 could not yet be implemented. Asset management expense is therefore reported in the same way as in the prior year.

6.7 Comments on investments in an employer's enterprise and on employer-paid contribution reserves

6.7.1 Investments in an employer's enterprise

The assets for affiliated employers amounting to CHF 85,282,079.17 (prior year: CHF 92,143,907.34) are premium assets. The majority of the assets earned interest at 0.25%.

6.7.2 Employer-paid contribution reserves

The employer-paid contribution reserves for the pension plans developed as follows in the year under review:

in CHF	31.12.2012	31.12.2011
Employer-paid contribution reserves as at 01.01.	136 713 399.63	126 068 997.35
Transfers-in	19 385 206.76	16 033 475.70
Transfers from new contracts	4 170 503.90	7 711 041.62
Used for premium payments	-10 832 513.35	-8 967 536.34
Used for one-time payments	-351 363.85	-1 416 456.15
Benefits from termination of contracts	-3 230 575.65	-3 254 738.11
Interest on investments of pension plans	723 048.09	677 358.26
Interest on individual investments of pension plans	330 893.10	-138 742.70
Employer-paid contribution reserves as at 31.12.	146 908 598.63	136 713 399.63

The majority of the employer-paid contribution reserves earned interest at 0.5%.

7 Comments on other balance sheet and operative account positions

7.1 Comments on receivables from Helvetia

in CHF	31.12.2012	31.12.2011
Current account balances	73 029 208.44	61 661 521.59
Current account balances LOB Guarantee Fund	3 151 378.70	2 954 995.15
Surplus safekeeping accounts	122 153 785.10	103 354 276.25
Employer-paid contribution reserves	143 897 499.48	133 970 181.38
Regulatory tied funds	535 990.55	823 834.50
Non-committed funds of pension plans	77 154 720.45	81 927 250.85
Prepaid premiums	33 947 682.87	35 833 426.79
Outstanding one-time payments of participants	144 351 358.72	124 009 815.54
Total receivables from Helvetia	598 221 624.31	544 535 302.05

7.2 Comments on prepayments and accrued income

in CHF	31.12.2012	31.12.2011
Prepaid benefits	29 811 034.74	27 626 387.29
Total prepayments and accrued income	29 811 034.74	27 626 387.29

7.3 Comments on liabilities to Helvetia

in CHF	31.12.2012	31.12.2011
Premiums owed	85 153 361.35	91 028 833.79
One-time payments owed	128 717.82	1 115 073.55
Total liabilities to Helvetia	85 282 079.17	92 143 907.34

7.4 Comments on accrued liabilities and deferred income

in CHF	31.12.2012	31.12.2011
Insurance benefits received in advance	29 811 034.74	27 626 387.29
Premiums received in advance	33 947 682.87	35 833 426.79
Outstanding one-time payments	144 351 358.72	124 009 815.54
Other accruals	100 340.00	68 300.00
Total accrued liabilities and deferred income	208 210 416.33	187 537 929.62

7.5 Comments on non-committed funds of pension plans

in CHF	31.12.2012	31.12.2011
Invested with Helvetia		
Individual surpluses	95 647 460.25	78 428 877.80
Collective surpluses	26 506 324.85	24 925 398.45
Non-committed funds	77 154 720.45	81 927 250.85
Total	199 308 505.55	185 281 527.10
Non-committed funds of pension plans in individual investments		
Collective surpluses	181 111.75	170 221.60
Non-committed funds	5 117 618.42	4 976 241.01
Total	5 298 730.17	5 146 462.61
Total non-committed funds of pension plans		
Individual surpluses	95 647 460.25	78 428 877.80
Collective surpluses	26 687 436.60	25 095 620.05
Non-committed funds	82 272 338.87	86 903 491.86
Total	204 607 235.72	190 427 989.71

7.6 Comments on net result of insurance activities

The reconciled net result of insurance activities reflects the fact that the foundation itself does not bear any risk within the framework of the full insurance solution. Helvetia guarantees all the benefits as well as the statutory rate of interest for the retirement savings capital.

7.6.1 Comments on income from insurance

in CHF	2012	2011
Insurance benefits	1 129 447 500.64	1 062 594 265.61
Surpluses from insurances	44 872 586.05	33 097 933.45
Total income from insurance	1 174 320 086.69	1 095 692 199.06

The foundation is entitled to the share of insurance surpluses from the collective insurance contract with Helvetia. The surpluses are determined separately, i.e. in relation to the savings, risk and cost processes. Accordingly, risk, cost or interest surpluses can be distributed.

In the year under review, surpluses from the risk process were distributed and used as follows:

in CHF	2012	2011
Individual accumulation	37 191 884.20	28 934 095.70
Collective accumulation	7 400 940.35	3 877 491.25
Credit to collection account	279 761.50	286 346.50
Total risk surplus	44 872 586.05	33 097 933.45

In principle, the accumulation of the surpluses is made on an individual basis. In derogation to this, the board of trustees can resolve on a collective accumulation or credit to the collection account.

7.6.2 Comments on insurance cost

in CHF	2012	2011
Risk premium	153 323 877.60	150 770 167.20
Cost premium	47 880 366.30	46 646 941.40
Savings premium	585 957 949.63	546 221 672.13
Inflation	6 900 101.70	6 474 563.90
One-time payments	895 254 686.30	1 124 971 449.25
Contribution to the guarantee fund	3 147 032.50	2 955 703.25
Total insurance cost	1 692 464 014.03	1 878 040 497.13

7.7 Comments on income from services rendered

in CHF	2012	2011
Compensation for reminder costs Helvetia	415 955.45	379 290.21
Compensation for encouragement of home ownership costs	207 021.27	215 835.15
Total income from services rendered	622 976.72	595 125.36

7.8 Comments on administrative expense

in CHF	2012	2011
Reminder costs	415 955.45	379 290.21
Encouragement of home ownership costs	207 021.27	215 835.15
Auditors and pension fund actuary	107 440.00	
Supervisory authority	82 600.00	
General administration	197 720.20	
Foundation's administrative expense	387 760.20	177 606.40
Total administrative expense	1 010 736.92	772 731.76

8 Supervisory authority requirements

There are no requirements of the supervisory authority.

9 Further information regarding the financial situation

9.1 Partial liquidations

In 2012 there were some partial liquidations. These were processed in accordance with the regulations. If there were non-committed funds, they were distributed accordingly.

9.2 Separate accounts

Some pension plans have invested their non-committed funds individually.

Basel, 17 April 2013

Helvetia Group Foundation for Employee Pensions



Mirjam Brucker
Chair of the Board
of Foundation



Hanscaspar Kühnis
Vice-Chair of the Board
of Foundation

Auditor's report.

Source: KPMG AG, Zurich



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Report of the Statutory Auditor on the financial statements to the Board of Foundation of the

Helvetia Group Foundation for Employee Pensions, Basel

As statutory auditor, we have audited the accompanying financial statements of Helvetia Group Foundation for Employee Pensions, which comprise the balance sheet, operating account and notes for the year ended December 31, 2012.

Foundation Board's Responsibility

The Foundation Board is responsible for preparing the financial statements in accordance with the requirements of Swiss law and with the company's deed of foundation and articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of the expert in occupational benefits

In addition to the auditor, the Foundation Board appoints an expert in occupational benefits to conduct the audit. The expert regularly checks whether the occupational benefit scheme can provide assurance that it can fulfil its obligations and that all statutory insurance-related provisions regarding benefits and funding comply with the legal requirements. The reserves necessary for underwriting insurance-related risks should be based on the latest report provided by the expert in occupational benefits in accordance with Article 52e paragraph 1 of the Occupational Pensions Act (OPA) and Article 48 of the Occupational Pensions Ordinance 2 (OPO 2).

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements for the year ended December 31, 2012 comply with Swiss law and with the company's deed of foundation and articles of incorporation.

KPMG AG/USA, a Swiss corporation, is a subsidiary of KPMG Holding AG/USA, which is a subsidiary of KPMG Europe LLP and a member of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

Member of the Swiss Institute of Certified Accountants and Tax Consultants



Reporting on the basis of legal and other requirements

We confirm that we meet the legal requirements on licensing (Article 52b OPA) and independence (Article 34 OPO 2) and that there are no circumstances incompatible with our independence.

Furthermore, we have carried out the audits required by Article 52c paragraph 1 OPA and Article 35 OPO 2. The Governing Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organisation, management and investments are applied.

We have assessed whether

- organisation and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to their size and complexity;
- funds are invested in accordance with legal and regulatory requirements;
- the occupational pension accounts comply with legal requirements
- measures have been taken to ensure loyalty in fund management and whether the Governing Body has ensured to a sufficient degree that fund managers fulfil their duties of loyalty and disclosure of interests;
- the available funds or discretionary dividends from insurance contracts have been used in compliance with the legal and regulatory provisions;
- the legally required information and reports have been given to the supervisory authority;
- the pension fund's interests are safeguarded in disclosed transactions with related entities

We confirm that the applicable legal and statutory requirements have been met.

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

KPMG AG

Stefan Inderbinen
Licensed Audit Expert

Christoph Vonder Mühl
Licensed Audit Expert

Zurich, April 17, 2013

Enclosure:

- Financial statements comprising balance sheet, income statement and notes

**Helvetia Group Foundation
for Employee Pensions**

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Your Swiss Insurer.

