



Helvetia Switzerland

Annual Report 2013

Helvetia Group Foundation for Employee Pensions.

Your Swiss Insurer.



Helvetia Group Foundation and the three-pillar system: two successful models.

Dear readers,

Pension provision for retirement in Switzerland is a successful model for which we are widely envied. Our three-pillar model has served as a template for the development of social insurance systems in numerous countries. As a result, forward-looking considerations by the Swiss Federal Council regarding the future of this successful model are both correct and welcome. The "pensions 2020" reform does exactly this. The core elements of this reform have now been published, and Helvetia Group Foundation is satisfied that it is well equipped to meet these new challenges. For example, solutions to flexibly and individually structure your retirement assets have long been part of our standard offer. The greatest possible transparency and the responsible handling of pension assets with foresight are a matter of course for Helvetia Group Foundation and have proven themselves particularly in the last few difficult years, contributing to high customer loyalty.

This high customer loyalty and the improved economic climate have contributed to further pleasing growth for Helvetia Group Foundation in the past 2013 financial year. The rising trend in the equity markets and the continuing low-interest-rate environment continue to be balanced by a high need for security amongst investors. This obviously also applies for companies in relation to decisions on occupational benefit schemes, as the full insurance model continues to dominate the market.

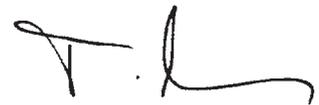
The increasingly negative statements, primarily by leftist political circles, regarding this model are apparently not having an impact; this is clearly reflected in the continued increase in both the number of affiliated companies as well as the number of insured individuals in Helvetia Group Foundation.

It is not just these positive results that are ensuring that members of the Board of Foundation of Helvetia Group Foundation carry out their mandates with great pleasure. While their term of office will soon come to an end, they have been constantly focussed on managing the pension assets entrusted to the foundation with an optimal combination of the greatest possible security and attractive yields. This will not change when the Board of Foundation holds its elections for the term of office from 2015 to 2019 during the course of 2014. Details on the election will be provided in the first half of 2014.

Your trust is important to us and we thank you for it. As was the case over the past year, we will continue to invest in this trust in the future, as it forms the basis for our continued successful cooperation. We look forward to it!



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 2013.

Portfolio development

Both the number of insured individuals as well as the actuarial reserve increased significantly in the year under review, which shows that the full insurance model has lost none of its attractiveness.

Key figures

	2013	2012	Change absolute	Change in %
Contributions (in CHF million)				
Regular contributions employees and employers	830.8	777.1	53.7	6.9
Entry lump-sum transfers and new contracts	1 041.5	822.3	219.2	26.7
Portfolios				
Affiliated pension plans	10 477	10 921	-444	-4.1
Active participants	98 121	91 642	6 479	7.1
Actuarial reserve (in CHF million)	8 219	7 559	660	8.7

Rate of interest on the retirement savings capital 2013

In 2013, 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) remains 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 2013, around 10,500 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 2013.

Balance sheet

in CHF	31.12.2013	31.12.2012
Assets		
Entitlements to shares in Helvetia Investment Foundation	6 486 319.05	6 506 125.50
Entitlements to Helvetia Investment Foundation BVG-Mix Plus 30	2 529 025.00	0.00
Entitlements to Helvetia Investment Foundation real estate	1 817 307.20	1 158 999.05
Liquid funds	26 510.43	2 156 733.03
Receivables from Helvetia	24 095.78	22 705.99
Accounts receivable	354.15	294.10
Foundation investments	10 883 611.61	9 844 857.67
Investments in securities for the account and risk of the pension plans	8 773 629.00	8 264 708.30
Receivables from affiliated employers	79 736 171.09	85 282 079.17
Receivables from Helvetia	752 718 680.36	598 198 918.32
Liquid funds	49 787.09	45 121.02
Investments for pension plans	841 278 267.54	691 790 826.81
Prepayments and accrued income	36 501 151.05	29 811 034.74
Assets from insurance contracts	8 219 012 497.78	7 559 366 929.05
Total	9 107 675 527.98	8 290 813 648.27
Liabilities		
Termination benefits and pensions	103 085 224.69	73 006 502.45
Liabilities vis-à-vis Helvetia	79 736 171.09	85 282 079.17
Other liabilities	3 782 872.55	3 151 378.70
Liabilities	186 604 268.33	161 439 960.32
Accrued liabilities and deferred income	313 037 354.54	208 210 416.33
Employer-paid contribution reserves	160 979 299.12	146 908 598.63
Liabilities under insurance contracts	8 219 012 497.78	7 559 366 929.05
Regulatory tied funds	4 539 894.95	535 990.55
Pension liabilities and actuarial reserves	8 223 552 392.73	7 559 902 919.60
Foundation reserve for fluctuations in asset value	2 165 000.00	1 533 000.00
Non-committed funds of pension plans	212 765 647.55	204 607 235.72
Foundation's non-committed funds		
Balance at the beginning of the period	8 211 517.67	7 064 169.02
Income/Expense surplus	360 048.04	1 147 348.65
Balance at the end of the period	8 571 565.71	8 211 517.67
Total	9 107 675 527.98	8 290 813 648.27

Operative account

in CHF	2013	2012
Employee contributions	384 038 754.20	357 246 067.40
Employer contributions	446 797 840.34	419 928 033.51
Contributions from third parties	2 677 730.15	2 463 243.75
One-time payments and purchase amounts	96 887 649.25	66 174 110.15
Transfers to employer-paid contribution reserves	29 141 653.05	19 385 206.76
Transfers to regulatory tied funds	4 686 648.95	0.00
Payments from guarantee fund	4 478 244.90	4 454 504.75
Ordinary and other contributions and transfers-in	968 708 520.84	869 651 166.32
Termination benefit transfers	519 038 184.35	496 834 067.16
Reimbursements of withdrawals for home ownership/divorce	15 887 096.30	15 395 466.55
Transfers from new contracts	506 584 104.08	310 081 396.96
Entry lump-sum transfers and new contracts	1 041 509 384.73	822 310 930.67
Inflow from contributions and entry lump-sum transfers	2 010 217 905.57	1 691 962 096.99
Retirement pensions	-90 706 248.65	-77 357 109.15
Survivors' pensions	-14 761 376.65	-13 630 416.90
Disability pensions	-39 762 848.75	-39 404 011.69
Other regulatory benefits	-53 037 385.55	-46 347 846.85
Lump-sum payments on retirement	-132 037 233.35	-140 661 235.75
Lump-sum payments on death or disability	-23 316 464.09	-27 853 995.25
Regulatory benefits	-353 621 557.04	-345 254 615.59
Termination benefits for leavers	-686 410 260.09	-613 773 662.85
Withdrawals for encouragement of home ownership/divorce	-39 170 215.35	-46 730 133.55
Benefits from termination of contracts	-157 285 366.27	-146 257 795.55
Termination benefits and termination of contracts	-882 865 841.71	-806 761 591.95
Outflow for benefits and withdrawals	-1 236 487 398.75	-1 152 016 207.54
Decrease/Increase in regulatory tied funds	-3 986 153.25	290 626.10
Decrease/Increase in non-committed funds	-6 179 781.69	-12 951 330.40
Decrease/Increase in contribution reserves	-12 842 609.54	-9 141 257.81
Decrease/Increase in pension liabilities, actuarial reserves and contribution reserves	-23 008 544.48	-21 801 962.11
Insurance benefits	1 209 348 991.08	1 129 447 500.64
Share of insurance surpluses	44 080 764.58	44 872 586.05
Income from insurance benefits	1 253 429 755.66	1 174 320 086.69
Insurance premiums	-853 220 523.90	-794 062 295.23
One-time contributions to insurances	-1 147 155 556.95	-895 254 686.30
Contributions to guarantee fund	-3 775 637.15	-3 147 032.50
Insurance cost	-2 004 151 718.00	-1 692 464 014.03
Net result of insurance activities	0.00	0.00

in CHF	2013	2012
Interest income on receivables	7 129 583.91	5 906 553.52
Interest on regulatory tied funds	-17 751.15	-2 782.15
Interest on non-committed funds	-1 171 282.90	-628 690.60
Interest expense for liabilities	-5 164 403.96	-4 552 032.68
Interest expense for employer-paid contribution reserves	-776 145.90	-723 048.09
Net result on investments of pension plans	0.00	0.00
Income from investments in securities	1 302 602.19	930 118.11
Interest on employer-paid contribution reserves	-451 945.05	-330 893.10
Interest on non-committed funds	-807 347.24	-599 225.01
Asset management expense	-43 309.90	0.00
Net result on individual investments of pension plans	0.00	0.00
Yield on entitlements to shares in Helvetia Investment Foundation	1 433 609.40	1 318 175.65
Yield on entitlements to Helvetia Investment Foundation BVG-Mix Plus 30	47 348.20	0.00
Yield on entitlements to Helvetia Investment Foundation real estate	72 538.35	-8 531.50
Interest rate income from liquid funds	171.60	183.80
Interest rate income on dotation capital	1 389.79	0.00
Asset management expense	-80 326.90	-119.10
Net result on investments of foundation's non-committed funds	1 474 730.44	1 309 708.85
Income from services rendered	745 458.56	622 976.72
Other income	745 458.56	622 976.72
General administration	-834 600.96	-820 696.92
Auditors and pension fund actuary	-120 742.40	-107 440.00
Supervisory authority	-272 797.60	-82 600.00
Administrative expense	-1 228 140.96	-1 010 736.92
Income/Expense surplus before decrease/increase in reserves for fluctuations in asset value	992 048.04	921 948.65
Decrease/Increase in reserves for fluctuations in asset value	-632 000.00	225 400.00
Income/Expense surplus after decrease/increase in reserves for fluctuations in asset value	360 048.04	1 147 348.65

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 (BS-0427). 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

January 2013

■ Election rules

April 2009

■ Pension fund regulations

January 2013

■ 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
- Marc Rauber, member

■ 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	2013	2012
As at 31.12. prior year	10 921	9 618
Changes compared to prior year	-444	1 303
As at 31.12. year under review	10 477	10 921

2 Active participants and pensioners

2.1 Active participants

Number	2013	2012
As at 31.12. prior year	91 642	86 714
Changes compared to prior year	6 479	4 928
As at 31.12. year under review	98 121	91 642

2.2 Pensioners

Number	31.12.2013	Change	31.12.2012
Retirement pensioners	7 009	690	6 319
Recipients of pensioner's children's pension	58	14	44
Recipients of disability pension	2 888	-61	2 949
Recipients of disabled's children's pension	661	-10	671
Recipients of spouse's pension	1 463	92	1 371
Recipients of orphan's pension	264	4	260
Total	12 343	729	11 614

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, and the supplement to the contract, dated 07.11.2012.

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, and the supplement to the contract, dated 07.11.2012.

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 8,219,012,497.78 (prior year: CHF 7,559,366,929.05) comprise the retirement savings capital of the active participants which have been invested and are managed by Helvetia.

	2013	2012
Interest on LOB mandatory savings capital	1.5%	1.5%
Interest on LOB non-mandatory savings capital	1.0%	1.0%

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 2,771,680,000 (prior year: CHF 2,443,270,000). The calculation and payment of the inflation adjustment on the LOB pensions is carried out by the re-insurer.

in CHF	31.12.2013	31.12.2012
Retirement savings capital in accordance with the LOB (shadow account)	4 880 882 031	4 488 121 557
LOB minimal interest rate	1.5%	1.5%

5.3 Conclusions of the last actuarial report

The pension actuary confirmed in his report dated 03.02.2014 that, as per 31.12.2013, 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	31.12.2013	31.12.2012
Invested with Helvetia		
Regulatory tied funds	4 539 895	535 991

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:

- Helvetia Group investment guidelines, version dated 06.05.2013, and implementation guidelines for Market Switzerland, version dated 31.05.2012

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

in CHF	2013	2012
Reserve for fluctuations in asset value as at 01.01.	1 553 000	1 758 400
Decrease/Increase in reserves for fluctuations in asset value	632 000	-225 400
Reserve for fluctuations in asset value as at 31.12.	2 165 000	1 533 000
Target reserve for fluctuations in asset value	2 165 000	1 533 000

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 non-committed funds in entitlements in an investment foundation. As part of the "Investment of non-committed funds in the Helvetia Investment Foundation" 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. The number of pension plans with individual investments of non-committed pension fund assets is nine (prior year: ten).

In contrast, the foundation has made own investments totalling around CHF 10,833,611.61 (prior year: CHF 9,844,857.67).

6.4 Asset management expense report

The reporting and determination of the asset management expense takes place pursuant to the OAK BV instructions dated 23.04.2013.

- The sum of all the expense figures for collective investments amounts to CHF 102,377.00 for the year under review.
- The total asset management expense indicated in the operative account as a percentage of cost-transparent investments amounts to 0.01% in the year under review.
- The cost transparency ratio is 100.00% for the year under review

6.5 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.

6.6 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.

6.7 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 1,302,602.19 (prior year: CHF 930,118.11) 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 1,474,730.44 (prior year: CHF 1,309,708.85). This amount was credited to the foundation's non-committed funds.

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

6.8.1 Investments in an employer's enterprise

The assets for affiliated employers amounting to CHF 79,736,171.09 (prior year: CHF 85,282,079.17) are premium assets. The majority of the assets earned interest at 0.25%.

6.8.2 Employer-paid contribution reserves

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

in CHF	31.12.2013	31.12.2012
Employer-paid contribution reserves as at 01.01.	146 908 598.63	136 713 399.63
Transfers-in	29 141 653.05	19 385 206.76
Transfers from new contracts	4 387 273.05	4 170 503.90
Used for premium payments	-16 818 734.61	-10 832 513.35
Used for one-time payments	-1 253 429.00	-351 363.85
Benefits from termination of contracts	-2 614 152.95	-3 230 575.65
Interest on investments of pension plans	776 145.90	723 048.09
Interest on individual investments of pension plans	451 945.05	330 893.10
Employer-paid contribution reserves as at 31.12.	160 979 299.12	146 908 598.63

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	31.12.2013	31.12.2012
Current account balances	103 085 224.69	73 006 502.45
Current account balances LOB Guarantee Fund	3 782 872.55	3 151 378.70
Surplus safekeeping accounts	134 735 266.53	122 153 785.10
Employer-paid contribution reserves	157 639 750.82	143 897 499.48
Regulatory tied funds	4 539 894.95	535 990.55
Non-committed funds of pension plans	72 546 513.23	77 154 720.45
Prepaid premiums	34 913 038.32	33 947 682.87
Outstanding one-time payments of participants	241 476 119.27	144 351 358.72
Total receivables from Helvetia (from investments for pension plans)	752 718 680.36	598 198 918.32

The receivables from Helvetia from investments by the foundation amounted to CHF 24,095.78 in the year under review (prior year: CHF 22,705.99).

7.2 Comments on prepayments and accrued income

in CHF	31.12.2013	31.12.2012
Prepaid benefits	36 501 151.05	29 811 034.74
Total prepayments and accrued income	36 501 151.05	29 811 034.74

7.3 Comments on liabilities to Helvetia

in CHF	31.12.2013	31.12.2012
Premiums owed	78 767 248.92	85 153 361.35
One-time payments owed	968 922.17	128 717.82
Total liabilities to Helvetia	79 736 171.09	85 282 079.17

7.4 Comments on accrued liabilities and deferred income

in CHF	31.12.2013	31.12.2012
Insurance benefits received in advance	36 501 151.05	29 811 034.74
Premiums received in advance	34 913 038.32	33 947 682.87
Outstanding one-time payments	241 476 119.27	144 351 358.72
Other accruals	147 045.90	100 340.00
Total accrued liabilities and deferred income	313 037 354.54	208 210 416.33

7.5 Comments on non-committed funds of pension plans

in CHF	31.12.2013	31.12.2012
Invested with Helvetia		
Individual surpluses	112 814 328.78	95 647 460.25
Collective surpluses	21 920 937.75	26 506 324.85
Non-committed funds	72 546 513.23	77 154 720.45
Total	207 281 779.76	199 308 505.55
Non-committed funds of pension plans in individual investments		
Collective surpluses	189 220.45	181 111.75
Non-committed funds	5 294 647.34	5 117 618.42
Total	5 483 867.79	5 298 730.17
Total non-committed funds of pension plans		
Individual surpluses	112 814 328.78	95 647 460.25
Collective surpluses	22 110 158.20	26 687 436.60
Non-committed funds	77 841 160.57	82 272 338.87
Total	212 765 647.55	204 607 235.72

7.6 Comments on income from insurance benefits

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	2013	2012
Insurance benefits	1 209 348 991.08	1 129 447 500.64
Surpluses from insurances	44 080 764.58	44 872 586.05
Total income from insurance benefits	1 253 429 755.66	1 174 320 086.69

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	2013	2012
Individual accumulation	39 779 189.23	37 191 884.20
Collective accumulation	4 033 038.20	7 400 940.35
Credit to collection account	268 537.15	279 761.50
Total risk surplus	44 080 764.58	44 872 586.05

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	2013	2012
Risk premium	-158 097 376.30	-153 323 877.60
Cost premium	-49 568 067.15	-47 880 366.30
Savings premium	-641 826 917.00	-585 957 949.63
Inflation	-3 728 163.45	-6 900 101.70
One-time payments	-1 147 155 556.95	-895 254 686.30
Contribution to the guarantee fund	-3 775 637.15	-3 147 032.50
Total insurance cost	-2 004 151 718.00	-1 692 464 014.03

7.7 Comments on income from services rendered

in CHF	2013	2012
Compensation for reminder costs Helvetia	558 852.29	415 955.45
Compensation for encouragement of home ownership costs	186 606.27	207 021.27
Total income from services rendered	745 458.56	622 976.72

7.8 Comments on administrative expense

in CHF	2013	2012
Reminder costs	-558 852.29	-415 955.45
Encouragement of home ownership costs	-186 606.27	-207 021.27
Auditors and pension fund actuary	-120 742.40	-107 440.00
Supervisory authority	-272 797.60	-82 600.00
General administration	-89 142.40	-197 720.20
Foundation's administrative expense	-482 682.40	-387 760.20
Total administrative expense	-1 228 140.96	-1 010 736.92

8 Supervisory authority requirements

There are no requirements of the supervisory authority.

9 Further information regarding the financial situation

9.1 Partial liquidations

In 2013 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, 16 April 2014

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 Ltd, Zurich



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Report of the Statutory Auditor to the Board of Foundation of the
Helvetia Group Foundation for Employee Pensions, Basel

Report of the Statutory Auditor on the Financial Statements

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, 2013.

Foundation Board's Responsibility

The Foundation Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and with the foundation's deed of formation and the regulations. 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 Foundation 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 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. 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.

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Member of the Swiss Institute of Certified Accountants and Tax Consultants



*Helvetia Group Foundation for Employee Pensions, Basel
Report of the Statutory Auditor
to the Governing Board*

Opinion

In our opinion, the financial statements for the year ended December 31, 2013 comply with Swiss law and with the foundation's deed of formation and the regulations.

Report on additional 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 Foundation 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 16, 2014

Enclosure:

- Financial statements comprising balance sheet, income statement and notes

**Helvetia Group Foundation
for Employee Pensions**

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Your Swiss Insurer.

