

**Helsana**

The health insurance of Switzerland.

**2014**

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**Annual report**

## Key figures

	2014	2013	Change
<b>Income statement in CHF 000s</b>			
Premiums earned	5,734,099	5,707,877	+0,5 %
Insurance benefits	-5,538,446	-5,414,695	+2,3 %
Operating cost	-574,138	-544,079	+5,5 %
Earnings	138,016	153,194	-9,9 %
<b>In % of premiums earned</b>			
Equity capital	27,2 %	25,0 %	+2,2 ppt
Insurance cost (claim ratio)	90,8 %	90,3 %	+0,5 ppt
Operating cost (expense ratio)	10,0 %	9,5 %	+0,5 ppt
Combined ratio (sum of claim ratio and expense ratio)	100,8 %	99,8 %	+1,0 ppt



Photo: Christian Schnur

## Dear Readers,

We are pleased to be able to report a successful financial year in 2014. The Helsana Group remains in a solid position, and our customers benefit from our proven track record and our sound cushion of reserves. We are still using excess reserves to reduce premium increases. However, the environment remains challenging due to the continual increases in benefit costs. Thanks to the strong position Helsana is currently in, we are looking to the future with confidence. During the final months of 2014 Helsana re-defined its strategic direction and set itself the target of becoming one of the industry top three in terms of customer perception (measured against the “Net Promoter Score”) within the next four years. We will also continue to contribute to the improvement of our healthcare system as a constructive, innovative health insurer. Our 3,000 employees are actively committed to assisting our customers, and we would like to thank them all for their support. We also wish to thank our customers for their loyalty.

Thomas D. Szucs  
Chairman of the Board of Directors

Daniel H. Schmutz  
CEO

- 4 Helsana Group annual report
- 8 Corporate Governance

### Helsana Group Consolidated Financial Statements

- 10 Consolidated income statement
- 11 Consolidated balance sheet as at 31 December
- 12 Consolidated cash flow statement
- 13 Change in consolidated equity

### Notes to the consolidated financial statements

- 14 Consolidation and accounting principles
- 16 Supplementary information on the business areas (divisions)
- 20 Notes to the income statement
- 21 Notes to the balance sheet and other information

- 
- 24 Helsana Group auditors' report
- 

### Financial statements of Helsana Ltd

- 26 Income statement and balance sheet

### Notes to financial statements

- 27 Accounting principles
- 28 Notes to the balance sheet as at 31 December
- 29 Proposal on the use of net profit

- 
- 30 Helsana Ltd auditors' report

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# Solid results in a challenging market environment

The Helsana Group is pleased to report a successful financial year in 2014. Despite a challenging market, the good result was only slightly below the previous year's excellent performance. Our customers benefit from our proven track record and our sound cushion of reserves. Rising premiums were attenuated by drawing down reserves where possible. During 2014, Helsana re-defined its strategic direction, to focus more strongly on customers.

In 2014 Helsana achieved another positive result, continued to improve its range of products and services and managed to attenuate premium increases for its insured persons by drawing down excess reserves. So it is all the more satisfactory that earnings of CHF 138 million in 2014 almost reached the excellent result achieved in 2013 (CHF 153 million). The Helsana Group balance sheet continues to be very healthy. In 2014 Helsana re-defined its strategic direction and set itself the target of becoming one of the industry top three in terms of customer perception (measured against the "Net Promoter Score") within the next four years.

### Premium income remained constant

The Helsana Group's premiums in 2014 reached CHF 5.734 billion, which was slightly higher than the previous year's level of CHF 5.708 billion. This result corresponds to expectations and reflects another moderate premium round in basic insurance in 2014 and stable premiums in supplementary insurance (VVG), with the exception of the premium reduction of CHF 50 million in HOSPITAL ECO effective 1 January 2014. In KVG business, premiums amounted to CHF 4.105 billion (2013: CHF 4.026 billion). Premium volume in VVG business amounted to CHF 1.462 billion (2013: CHF 1.508 billion). In UVG business, premiums fell slightly from CHF 186 million to CHF 180 million.

### Continuing increase in benefit costs

Benefit costs rose again in 2014. In total, the Helsana Group's benefit costs in 2014 amounted to CHF 5.538 billion. In KVG business, the increase in medical costs was precipitated by an increase in the number of physicians, especially specialists, in outpatient practice. Factors contributing to this development included the temporary suspension of the moratorium on the creation of new medical practices and continued disincentives in the tariff structure. Increasing benefit costs were also recorded in VVG business, most notably in the area of supplementary hospital insurance.

### Slight underwriting loss in line with budget

In 2014 the Helsana Group achieved an underwriting loss of CHF 48 million. This underwriting loss was budgeted for. It corresponds to a combined ratio of 100.8% (2013: 99.8%) and reflects Helsana's sustainable premium policy. In KVG business, the combined ratio was 102.3% (2013: 103.4%). As in 2013, a conscious decision was taken to apply much lower premium increases in those companies with excess reserves than might otherwise have been required given the increase in costs. Evidence of this can be seen in the combined ratios of Helsana Insurance Company Ltd and Progrès Insurance Ltd, which ended the year at 104.0% and 102.0% respectively. In VVG business, the combined ratio was higher than that of 2013 at 96.2%, reflecting the fact that benefit costs rose while premiums generally remained stable, falling sharply for HOSPITAL ECO in particular. A combined ratio of 104.7% was recorded in accident insurance (2013: 98.4%). →

## CHF 138 million

Earnings – Helsana Group

## CHF 5.73 billion

Premiums earned – Helsana Group

## CHF 5.54 billion

Benefit costs – Helsana Group

## 100.8%

Combined ratio – Helsana Group

## 27.2%

Equity capital ratio (= reserve ratio); reserves ensure that the Helsana Group will be able to meet its financial obligations over the long term.

## CHF 309 million

Net investment income

### Outstanding investment income

The Helsana Group saw very satisfactory growth in investments during 2014, as in previous years. Overall performance was 7.9% percent on fixed assets of CHF 5.7 billion (2013: 3.5% on assets of CHF 5.7 billion). Once again Helsana clearly outperformed the benchmark by 1.4 percentage points. The financial result was CHF 309 million (2013: CHF 238 million), thus contributing significantly to the satisfactory profits, which were better than expected. In recent years, our broadly diversified investment portfolio has made an ongoing contribution to strengthening financial capacity and has allowed us to improve solvency and to attenuate premium increases for our customers.

### Solid equity capital

Once again, at the end of 2014, all companies in the Helsana Group met the legal requirements concerning solvency. For the first time, Avanex and Sansan also met the requirements regarding risk-based solvency under the KVG, which will be mandatory from 2017 onwards. According to our estimates, both companies will already manage to exceed the threshold of 100% in 2015. The other companies are already well above the target value. Furthermore, all companies have significantly exceeded the set value for the OKP reserve ratio (10% of premiums earned). As at the end of 2014, the Helsana Group had equity capital in the amount of CHF 1.559 billion (2013: CHF 1.424 billion). Thus Helsana continues to enjoy a strong capital base, guaranteeing security and continuity of premiums for all customers.

### Outlook: an even more consistent customer focus

In 2014 Helsana re-defined its strategic direction and set itself the target of becoming one of the industry top three in terms of customer perception (measured against the “Net Promoter Score”) over the next four years. In the context of this new strategic direction, the management structure will be streamlined and processes will be simplified and optimised.

But Helsana will also be maintaining areas that have proven successful, including professional health management for prevention, early detection and rehabilitation, and the promotion of managed care models that guide patients through the range of medical options available, thus helping to keep costs low and pre-

mium increases down. Innovative products and partnerships will also continue to help meet customer needs and to maintain a high quality healthcare system that operates in the best interests of the patients – our insured persons. <

**CHF 1.559 billion**

Equity capital – Helsana Group

# Good management is based on rules

The Helsana Group operates according to the principles of corporate governance – in the interests of ensuring responsible and transparent value-driven management. This creates clarity for our policyholders, employees, shareholders and the public.

## 1996

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Helsana was created in this year following the merger of the health insurers Helvetia and Artisana.

At the Helsana Group, corporate governance encompasses the entire organisation of the company as well as the management and control instruments with which it meets legal requirements. In terms of transparency and responsibilities, it follows the recommendations of the Swiss Code of Best Practice for Corporate Governance. The Helsana Group is not listed on the stock exchange, but still follows the specific rules of SIX Swiss Exchange.

### **Ethical principles of business**

The Code of Conduct contains the ethical principles of business as stipulated by the Board of Directors, to which all Helsana employees are committed. The Code of Conduct contains the shared fundamental values and principles for our day-to-day work that all employees of the Helsana Group must follow to enable objectives to be achieved over the long term. It also fosters a common understanding of what is honest and ethical business practice.

### **Shareholders**

The shareholders of Helsana Ltd are Fondation Sana with 79 per cent and Verein Artisana with 21 per cent of the share capital of CHF 70 million. Fondation Sana consists of a Foundation Board with up to 50 members and a committee with seven members. Verein Artisana is governed by a Management Board of ten members.



## Remuneration

The Board of Directors determines the remuneration for its members at the request of the Executive and Remuneration Committee. The Committee determines the remuneration for members of the Executive Board according to the Board of Directors' guidelines. The total remuneration of the Executive Board is composed of a fixed annual salary, a variable component and employer contributions to social security and the pension fund. The variable component is dependent on business results.

## Remuneration of serving members of Group bodies

The Helsana Group is not listed on the stock exchange. However, in respect of remuneration for members of the Board of Directors and the Executive Board, it voluntarily complies with the transparency requirements of the Code of Obligations as applicable to listed companies. The Helsana Group reports the highest individual remuneration within the two bodies separately. In 2014, the following remuneration was paid to acting members of the Board of Directors and the Executive Board: the total remuneration of the Board of Directors amounted to CHF 744,000; this amount includes all remuneration for their work on Board of Directors' committees. No variable components were paid. The BoD Chairman received remuneration of CHF 172,000. The total remuneration of the six-member Executive Board consisted of cash payments of CHF 2,473,000, pension contributions of CHF 378,000 and other compensation of CHF 164,000. The highest remuneration was paid to the CEO of the Executive Board, in the form of a cash payment of CHF 548,000, pension contributions of CHF 87,000 and other compensation of CHF 36,000. The cash payments include base salary and all variable components. The members of the Executive Board must pay to the company all royalties, fees and other remuneration accruing to them from mandates performed on behalf of the Helsana Group. No additional fees or remuneration requiring disclosure were paid to members of the Board of Directors or the Executive Board. <

# CHF 70 million

Share capital of Helsana Ltd

## Consolidated income statement

CHF 000s	<i>Reference to page</i>	<b>2014</b>	2013
<b>Premiums earned</b>	<b>20</b>	<b>5,734,099</b>	<b>5,707,877</b>
Insurance benefits	20	-5,538,446	-5,414,695
Risk compensation		375,356	363,724
Change in claim provisions		-44,271	-176,483
Cost of profit sharing for the insured	20	-29,541	-34,885
Change in other insurance provisions		28,515	110,324
<b>Insurance cost</b>		<b>-5,208,387</b>	<b>-5,152,015</b>
<b>Gross profit</b>		<b>525,712</b>	<b>555,862</b>
Operating cost	20	-574,138	-544,079
<b>Insurance profit</b>		<b>-48,426</b>	<b>11,783</b>
Net investment income and income from other financial investments	20	309,031	237,671
Other income	20	-52,601	-44,445
<b>Non-insurance profit</b>		<b>256,430</b>	<b>193,226</b>
<b>Earnings before taxes and minority interests</b>		<b>208,004</b>	<b>205,009</b>
Taxes		-69,065	-51,181
<b>Earnings before minority interests</b>		<b>138,939</b>	<b>153,828</b>
Share of minority interests		-923	-634
<b>Company result</b>		<b>138,016</b>	<b>153,194</b>

## Consolidated balance sheet as at 31 December

CHF 000s	Reference to page	2014	2013
<b>Assets</b>			
<b>Cash and cash equivalents</b>	<b>2 I</b>	<b>213,768</b>	<b>333,809</b>
Amounts due from policyholders and partners	14, 2 I	891,802	864,934
Other amounts due	14, 2 I	381,833	77,238
<b>Receivables</b>		<b>1,273,635</b>	<b>942,172</b>
<b>Prepaid expenses and accrued income</b>	<b>2 I</b>	<b>157,939</b>	<b>127,830</b>
<b>Current assets</b>		<b>1,645,342</b>	<b>1,403,811</b>
Bonds	14, 2 I	3,845,560	3,788,720
Equities	14, 2 I	984,752	1,140,907
Alternative investments	14, 2 I	108,692	118,368
Loans and mortgages	14, 2 I	1,273	1,527
Real estate incl. real estate funds	14, 2 I	709,135	670,858
Participations	15, 2 I	4,766	1,324
<b>Capital investments</b>		<b>5,654,178</b>	<b>5,721,704</b>
<b>Fixed assets</b>	<b>15, 2 I</b>	<b>14,704</b>	<b>11,763</b>
<b>Intangible assets</b>	<b>15, 2 I</b>	<b>12,756</b>	<b>0</b>
<b>Property, plant and equipment</b>		<b>5,681,638</b>	<b>5,733,467</b>
<b>Total assets</b>		<b>7,326,980</b>	<b>7,137,278</b>
<b>Liabilities</b>			
Amounts due to policyholders and partners	22	1,108,549	1,225,263
Other short-term liabilities	22	159,666	59,137
<b>Short-term liabilities</b>		<b>1,268,215</b>	<b>1,284,400</b>
<b>Accrued expenses and deferred income</b>	<b>22</b>	<b>28,322</b>	<b>19,243</b>
Provisions for premium transfers		1,402	1,402
Provisions for claims	15, 22	3,008,541	3,000,264
Other insurance provisions	22	637,813	630,334
<b>Insurance provisions</b>		<b>3,647,756</b>	<b>3,632,000</b>
<b>Non-insurance-related provisions</b>	<b>22</b>	<b>821,032</b>	<b>775,483</b>
<b>Borrowed capital</b>		<b>5,765,325</b>	<b>5,711,126</b>
Share capital		70,000	70,000
Capital reserves		405,601	405,601
Retained earnings		945,855	795,461
Company result		138,016	153,194
<b>Equity capital</b>	<b>13</b>	<b>1,559,472</b>	<b>1,424,256</b>
<b>Share of minority interests</b>		<b>2,183</b>	<b>1,896</b>
<b>Total liabilities</b>		<b>7,326,980</b>	<b>7,137,278</b>

## Consolidated cash flow statement

CHF 000s	2014	2013
<b>Company result</b>	<b>138,016</b>	<b>153,194</b>
Write-downs and appreciation on capital investments	24,091	-18,697
Write-downs on fixed assets and receivables from operating activities	24,948	20,936
Change in insurance provisions	15,756	66,015
Change in non-insurance-related provisions	45,549	27,034
<b>Non-cash expenses/income</b>	<b>110,344</b>	<b>95,288</b>
<b>Cash flow</b>	<b>248,360</b>	<b>248,482</b>
Change in receivables from operating activities	-37,216	29,103
Change in other receivables and prepaid expenses and accrued income	-334,704	-42,964
Change in liabilities from operating activities	-116,714	121,000
Change in other short-term liabilities and accrued expenses and deferred income	109,635	-55,230
<b>Change in operating receivables, liabilities and deferrals/accruals</b>	<b>-378,999</b>	<b>51,909</b>
<b>Cash flow from business activities</b>	<b>-130,639</b>	<b>300,391</b>
Investments in/divestments of capital investments (net)	43,435	-117,724
Investments in/divestments of fixed assets, intangible assets and other assets (net)	-30,297	-7,586
<b>Cash flow from investment activities</b>	<b>13,138</b>	<b>-125,310</b>
Dividends to shareholders	-2,800	-3,500
Change in minority/third-party interests	288	235
<b>Cash flow from financing activities</b>	<b>-2,512</b>	<b>-3,265</b>
<b>Change in fund net cash and cash equivalents<sup>1</sup></b>	<b>-120,013</b>	<b>171,816</b>
Net cash and cash equivalents as at end of previous year	333,747	161,881
Inflow of cash and cash equivalents from change in consolidated companies	0	50
Net cash and cash equivalents opening amount at 1.1.	333,747	161,931
Net cash and cash equivalents closing amount at 31.12.	213,734	333,747

<sup>1</sup> Fund net cash and cash equivalents Cash and cash equivalents less short-term financial liabilities

## Change in consolidated equity

CHF 000s	Equity capital	Capital reserves	Retained earnings	Balance sheet total	Total
<b>As at 1.1.2014</b>	<b>70,000</b>	<b>405,601</b>	<b>795,461</b>	<b>153,194</b>	<b>1,424,256</b>
Appropriation of net income			153,194	-153,194	0
Dividend distribution			-2,800		-2,800
Annual result				138,016	138,016
<b>As at 31.12.2014</b>	<b>70,000</b>	<b>405,601</b>	<b>945,855</b>	<b>138,016</b>	<b>1,559,472</b>

## Consolidated companies

Name	Purpose	Consolidation	Participation	Capital
			%	CHF 000s
Helsana Ltd, Dübendorf	Holding	Fully consolidated	100	70,000
- Helsana Insurance Company Ltd, Dübendorf	Health insurance	Fully consolidated	100	70,000
- Helsana Supplementary Insurances Ltd, Dübendorf	Health insurance	Fully consolidated	100	35,000
- LCC Consulting AG, Zurich	IT	Fully consolidated	100	100
- Helsana Legal Protection Ltd, Aarau	Legal expenses insurance	Proportionately consolidated	50	3,000
- Sansan Insurance Ltd, Dübendorf	Health insurance	Fully consolidated	100	100
- Avanex Insurance Ltd, Dübendorf	Health insurance	Fully consolidated	100	100
- Progrès Insurance Ltd, Dübendorf	Health insurance	Fully consolidated	100	250
- maxi.ch Insurance Ltd, Dübendorf	Health insurance	Fully consolidated	100	100
- Helsana Accidents Ltd, Dübendorf	Accident insurance	Fully consolidated	100	14,000
- Solida Insurance Ltd, Dübendorf	Accident insurance	Proportionately consolidated	50	10,000
- Helsana Investment Ltd., Dübendorf	Holding	Fully consolidated	100	100
- SSS Schaden Service Switzerland Ltd, Zurich	Recourse settlement	Fully consolidated	51	110
- Procure Vorsorge AG, Dübendorf	Services	Fully consolidated	100	100
- indivo Insurance Ltd, Dübendorf	Health insurance	Fully consolidated	100	100
- Aviga AG, Zurich	Case management	Proportionately consolidated	50	2,200

## Consolidation and accounting principles

### General provisions

Reporting on the financial situation of the Helsana Group for the 2014 financial year is being carried out within the same scope as the previous year. Income statement and balance sheet figures for the individual business areas (divisions) have again been produced.

### Consolidated companies

The Group accounts include all companies that are directly or indirectly controlled by Helsana. Control means the decisive influence on the operational and financial activities in order to derive the corresponding benefit therefrom. This is usually the case if Helsana directly or indirectly holds more than 50 percent of the voting rights in a company. Companies acquired during the financial year are included from the date on which control over the business activities was transferred to Helsana, and all companies disposed of during the year are excluded from the Group statements from the date of sale. Please refer to page 13 for details on this.

### Change in consolidated companies

There was no change in the scope of consolidation in the year under review.

### Consolidation methods

#### Full consolidation

Companies are included in the Group statements based on the full consolidation method. Capital consolidation is carried out using the Anglo-Saxon method (purchase method). Assets and borrowed capital of companies acquired are revalued at the time control changes in accordance with the Group principles; unrealised gains and losses are carried under the relevant balance sheet positions and the remaining difference between the purchase price and goodwill calculated according to the accounting policies of the Group is fully amortised over five years or in the year of consolidation. Any third-party participations in fully consolidated companies are shown separately as minority interests in equity and income.

#### Proportionate consolidation

Companies in which Helsana holds a 50 percent stake are proportionately consolidated.

#### Equity method

Companies in which Helsana holds between a 20 and 50 percent stake are stated in the balance sheet at the value corresponding to the pro rata equity capital in line with the equity method.

### Other participations

All other participations of less than 20 percent are stated at cost, less any necessary write-downs and are held under capital investments.

### Consolidation balance sheet date

The balance sheet date for all companies included is 31 December.

### Intragroup transactions

All intragroup transactions, relationships and earnings are eliminated as part of the consolidation process.

### Valuation principles

Valuations for all companies are carried out in line with the standardised principles set out below:

#### Receivables

Receivables are valued at the nominal value, less any write-downs on premium receivables due as at the balance sheet date.

#### Bonds

Bonds are valued using the amortised cost method, less any operational write-downs on positions with a protracted loss of value. The creation or release of value adjustments are stated under net investment income.

#### Equities and alternative investments

Equities and alternative investments are valued at the lower of cost or market value. If there is no observable/current valuation available, the market value is determined using Helsana's own valuation model.

#### Derivative financial instruments

Derivative products (e.g. forwards, futures, currency hedges) are valued at the current market value. These products are used solely for hedging purposes.

#### Loans and mortgages

These are held on the balance sheet at the nominal value less any necessary write-downs.

#### Real estate incl. real estate funds

Real estate is held on the balance sheet at the purchase/construction price, plus any capital improvements, less any necessary write-downs. Real estate funds are valued in the same way as equities.

#### Participations

Shares in participations that do not fall under the equity valuation method are valued at cost, less any necessary write-downs.

**Fixed assets**

Fixed assets are valued at cost. They are depreciated on a linear basis over the course of their useful life.

**Intangible assets**

With intangible assets, a distinction is drawn between purchased software and projects. The latter are amortised on a straight-line basis over the course of their useful life. With purchased software, amounts below CHF 5,000 are expensed.

Projects are generally amortised over a period of five years from launch, up to a maximum of ten years in justified cases. They must provide a benefit over several years, and are measured at cost of acquisition or production. These costs must be measurable and allocable to the project. Projects may only be capitalised if they are strategic in nature and involve an investment in excess of CHF 3 million.

**Provisions for claims**

This position contains provisions for insurance claims that are outstanding as at the balance sheet date. These are calculated in accordance with the accounting principles approved by the responsible supervisory bodies (federal agencies) taking into account any corrections required for operating purposes.

**Tax provisions**

For fully consolidated subsidiaries, a provision is created for taxes owed on the basis of the annual result of the company in question and is stated under non-insurance-related provisions.

**Foreign currencies**

There is no conversion of foreign currencies as part of the consolidation process, as there are no companies in the Helsana Group that prepare their financial statements in foreign currencies. Positions stated in foreign currencies are converted using the exchange rate on the reporting date. All assets and liabilities are converted using the rate as at the balance sheet date.

## Income statement

### Supplementary information on the business areas (divisions)

CHF 000s	Reference to page	Insurance under KVG <sup>1</sup>		Insurance under VVG <sup>2</sup>	
		2014	2013	2014	2013
<b>Premiums earned</b>	20	<b>4,104,626</b>	<b>4,026,380</b>	<b>1,462,157</b>	<b>1,508,171</b>
Insurance benefits	20	-4,344,668	-4,270,241	-1,072,513	-1,021,049
Risk compensation		375,356	363,724	0	0
Change in claim provisions		23,464	-3,262	-9,017	-121,771
Cost of profit sharing for the insured	20	-11,060	-10,783	-9,090	-14,530
Change in other insurance provisions		-300	-3,100	-8,679	110,490
<b>Insurance cost</b>		<b>-3,957,208</b>	<b>-3,923,662</b>	<b>-1,099,299</b>	<b>-1,046,860</b>
<b>Gross profit</b>		<b>147,418</b>	<b>102,718</b>	<b>362,858</b>	<b>461,311</b>
Operating cost	20	-243,339	-238,552	-306,948	-282,928
<b>Insurance profit</b>		<b>-95,921</b>	<b>-135,834</b>	<b>55,910</b>	<b>178,383</b>
Net investment income and income from other financial investments	20	134,365	119,005	112,391	70,918
Other income	20	-47,510	-948	-3,811	-20,823
<b>Non-insurance profit</b>		<b>86,855</b>	<b>118,057</b>	<b>108,580</b>	<b>50,095</b>
<b>Earnings before taxes and minority interests</b>		<b>-9,066</b>	<b>-17,777</b>	<b>164,490</b>	<b>228,478</b>
Taxes		0	0	-38,312	-47,404
<b>Earnings before minority interests</b>		<b>-9,066</b>	<b>-17,777</b>	<b>126,178</b>	<b>181,074</b>
Share of minority interests		0	0	0	0
<b>Company result</b>		<b>-9,066</b>	<b>-17,777</b>	<b>126,178</b>	<b>181,074</b>

<sup>1</sup> **Insurance under KVG** This division contains companies that offer mandatory health care insurance and voluntary daily benefits insurance under the KVG (Helsana Insurance Company Ltd, Progrès Insurance Ltd, Sansan Insurance Ltd, Avanex Insurance Ltd and Maxi.ch Insurance Ltd).

<sup>2</sup> **Insurance under VVG** This division contains companies that offer insurance products under the VVG (Helsana Supplementary Insurances Ltd and Helsana Legal Protection Ltd).

<sup>3</sup> **Insurance under UVG** This division contains companies that offer insurance products under the UVG (Helsana Accidents Ltd and Solida Insurance Ltd).

<sup>4</sup> **Other** This division contains all other companies.



Insurance under UVG <sup>3</sup>		Other <sup>4</sup>		Elimination		Total	
2014	2013	2014	2013	2014	2013	2014	2013
<b>180,064</b>	<b>185,843</b>	<b>0</b>	<b>0</b>	<b>-12,748</b>	<b>-12,517</b>	<b>5,734,099</b>	<b>5,707,877</b>
-129,511	-131,503	0	0	8,246	8,098	-5,538,446	-5,414,695
0	0	0	0	0	0	375,356	363,724
-58,718	-51,450	0	0	0	0	-44,271	-176,483
-9,391	-9,572	0	0	0	0	-29,541	-34,885
37,494	2,934	0	0	0	0	28,515	110,324
<b>-160,126</b>	<b>-189,591</b>	<b>0</b>	<b>0</b>	<b>8,246</b>	<b>8,098</b>	<b>-5,208,387</b>	<b>-5,152,015</b>
<b>19,938</b>	<b>-3,748</b>	<b>0</b>	<b>0</b>	<b>-4,502</b>	<b>-4,419</b>	<b>525,712</b>	<b>555,862</b>
-28,367	-28,242	-466	-530	4,982	6,173	-574,138	-544,079
<b>-8,429</b>	<b>-31,990</b>	<b>-466</b>	<b>-530</b>	<b>480</b>	<b>1,754</b>	<b>-48,426</b>	<b>11,783</b>
53,340	44,481	178,935	177,467	-170,000	-174,200	309,031	237,671
3,901	-408	-4,400	-20,512	-781	-1,754	-52,601	-44,445
<b>57,241</b>	<b>44,073</b>	<b>174,535</b>	<b>156,955</b>	<b>-170,781</b>	<b>-175,954</b>	<b>256,430</b>	<b>193,226</b>
<b>48,812</b>	<b>12,083</b>	<b>174,069</b>	<b>156,425</b>	<b>-170,301</b>	<b>-174,200</b>	<b>208,004</b>	<b>205,009</b>
-22,537	-2,864	-8,216	-913	0	0	-69,065	-51,181
<b>26,275</b>	<b>9,219</b>	<b>165,853</b>	<b>155,512</b>	<b>-170,301</b>	<b>-174,200</b>	<b>138,939</b>	<b>153,828</b>
0	0	-923	-634	0	0	-923	-634
<b>26,275</b>	<b>9,219</b>	<b>164,930</b>	<b>154,878</b>	<b>-170,301</b>	<b>-174,200</b>	<b>138,016</b>	<b>153,194</b>

## Balance sheet

### Supplementary information on the business areas (divisions)

CHF 000s	Reference to page	Insurance under KVG <sup>1</sup>		Insurance under VVG <sup>2</sup>	
		2014	2013	2014	2013
<b>Assets</b>					
Cash and cash equivalents	21	134,877	200,885	41,353	56,351
Receivables	14, 21	983,929	690,411	546,999	668,352
Prepaid expenses and accrued income	21	122,657	66,908	16,687	42,413
<b>Current assets</b>		<b>1,241,463</b>	<b>958,204</b>	<b>605,039</b>	<b>767,116</b>
Bonds	14, 21	1,390,542	1,529,578	1,338,674	1,347,632
Equities	14, 21	321,234	498,046	434,870	480,210
Alternative investments	14, 21	0	0	89,075	98,268
Loans and mortgages	14, 21	1,230	1,527	1,500	500
Real estate incl. real estate funds	14, 21	354,582	342,270	250,155	218,569
Participations	15, 21	109	109	4,507	1,065
<b>Capital investments</b>		<b>2,067,697</b>	<b>2,371,530</b>	<b>2,118,781</b>	<b>2,146,244</b>
<b>Fixed assets</b>	15, 21	<b>13,252</b>	<b>10,676</b>	<b>0</b>	<b>0</b>
<b>Intangible assets</b>	15, 21	<b>12,756</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Property, plant and equipment</b>		<b>2,093,705</b>	<b>2,382,206</b>	<b>2,118,781</b>	<b>2,146,244</b>
<b>Total assets</b>		<b>3,335,168</b>	<b>3,340,410</b>	<b>2,723,820</b>	<b>2,913,360</b>
<b>Liabilities</b>					
<b>Long-term liabilities</b>		<b>0</b>	<b>0</b>	<b>1,000</b>	<b>700</b>
<b>Short-term liabilities</b>	22	<b>1,211,388</b>	<b>1,265,509</b>	<b>525,667</b>	<b>656,916</b>
<b>Accrued expenses and deferred income</b>	22	<b>20,794</b>	<b>11,691</b>	<b>2,204</b>	<b>2,007</b>
Provisions for premium transfers		0	0	0	0
Provisions for claims	15, 22	1,023,428	1,046,892	920,672	911,655
Other insurance provisions	22	24,400	24,100	608,263	599,584
<b>Insurance provisions</b>		<b>1,047,828</b>	<b>1,070,992</b>	<b>1,528,935</b>	<b>1,511,239</b>
<b>Non-insurance-related provisions</b>	22	<b>414,628</b>	<b>342,622</b>	<b>219,977</b>	<b>252,638</b>
<b>Borrowed capital</b>		<b>2,694,638</b>	<b>2,690,814</b>	<b>2,277,783</b>	<b>2,423,500</b>
<b>Equity capital</b>	13	<b>640,530</b>	<b>649,596</b>	<b>446,037</b>	<b>489,860</b>
<b>Share of minority interests</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>		<b>3,335,168</b>	<b>3,340,410</b>	<b>2,723,820</b>	<b>2,913,360</b>

<sup>1</sup> **Insurance under KVG** This division contains companies that offer mandatory health care insurance and voluntary daily benefits insurance under the KVG (Helsana Insurance Company Ltd, Progrès Insurance Ltd, Sansan Insurance Ltd, Avanex Insurance Ltd and Maxi.ch Insurance Ltd).

<sup>2</sup> **Insurance under VVG** This division contains companies that offer insurance products under the VVG (Helsana Supplementary Insurances Ltd and Helsana Legal Protection Ltd).

<sup>3</sup> **Insurance under UVG** This division contains companies that offer insurance products under the UVG (Helsana Accidents Ltd and Solida Insurance Ltd).

<sup>4</sup> **Other** This division contains all other companies.

Insurance under UVG <sup>3</sup>		Other <sup>4</sup>		Elimination		Total	
2014	2013	2014	2013	2014	2013	2014	2013
25,128	67,872	12,410	8,701	0	0	213,768	333,809
89,375	11,095	141,914	246,791	-488,582	-674,477	1,273,635	942,172
16,044	18,139	2,551	370	0	0	157,939	127,830
130,547	97,106	156,875	255,862	-488,582	-674,477	1,645,342	1,403,811
919,071	911,510	197,273	0	0	0	3,845,560	3,788,720
157,600	162,651	71,048	0	0	0	984,752	1,140,907
19,617	20,100	0	0	0	0	108,692	118,368
0	0	10,543	10,500	-12,000	-11,000	1,273	1,527
104,398	110,019	0	0	0	0	709,135	670,858
0	0	159,238	162,039	-159,088	-161,889	4,766	1,324
1,200,686	1,204,280	438,102	172,539	-171,088	-172,889	5,654,178	5,721,704
0	0	1,452	1,087	0	0	14,704	11,763
0	0	0	0	0	0	12,756	0
1,200,686	1,204,280	439,554	173,626	-171,088	-172,889	5,681,638	5,733,467
1,331,233	1,301,386	596,429	429,488	-659,670	-847,366	7,326,980	7,137,278
11,000	11,475	1,500	500	-12,000	-11,000	1,500	1,675
4,864	29,837	13,080	4,943	-488,284	-674,480	1,266,715	1,282,725
4,220	4,696	1,104	849	0	0	28,322	19,243
1,402	1,402	0	0	0	0	1,402	1,402
1,064,441	1,041,717	0	0	0	0	3,008,541	3,000,264
5,150	6,650	0	0	0	0	637,813	630,334
1,070,993	1,049,769	0	0	0	0	3,647,756	3,632,000
165,171	156,899	21,256	23,324	0	0	821,032	775,483
1,256,248	1,252,676	36,940	29,616	-500,284	-685,480	5,765,325	5,711,126
74,985	48,710	557,306	397,976	-159,386	-161,886	1,559,472	1,424,256
0	0	2,183	1,896	0	0	2,183	1,896
1,331,233	1,301,386	596,429	429,488	-659,670	-847,366	7,326,980	7,137,278

## Notes to the income statement

CHF 000s	2014	2013
<b>Premiums earned</b>	<b>5,734,099</b>	<b>5,707,877</b>
This amount comprises the premiums and revenue reductions (discounts, losses on receivables).		
<b>Insurance benefits</b>	<b>-5,538,446</b>	<b>-5,414,695</b>
This position contains the net insurance benefits settled less the cost sharing of insured persons.		
<b>Cost of profit sharing for the insured</b>	<b>-29,541</b>	<b>-34,885</b>
Profit sharing amounts resulting from group insurance contracts that have been paid out or are probably due as at the balance sheet date.		
<b>Operating cost</b>		
Personnel costs	-378,741	-352,254
Write-downs	-9,725	-13,643
IT	-46,529	-50,474
Costs of premises	-25,760	-26,081
Marketing/commissions	-84,693	-75,584
Other	-28,690	-26,043
<b>Total</b>	<b>-574,138</b>	<b>-544,079</b>
<b>Net investment income and income from other financial investments</b>		
Income from investments in securities	119,166	125,564
Income from financial investments and other capital investments	5,609	4,425
Realised/Non-realised profits and losses	89,213	81,884
Real estate income	95,043	25,798
<b>Total</b>	<b>309,031</b>	<b>237,671</b>
<b>Other income</b>		
Change in fluctuation reserves/value adjustments	-16,875	-20,359
Other expenses	-39,000	0
Change in premium refund provision	-9,799	-37,075
Other income	13,073	12,989
<b>Total</b>	<b>-52,601</b>	<b>-44,445</b>

## Notes to the balance sheet and other information

CHF 000s	2014	2013
<b>Cash and cash equivalents</b>		
Short-term fixed deposits	1,425	2,979
Miscellaneous cash accounts	212,343	330,830
<b>Total</b>	<b>213,768</b>	<b>333,809</b>
<b>Amounts due from policyholders and partners</b>		
Premium credit balances	639,745	623,293
Cost sharing of insured persons	52,192	47,686
Amounts due from partners Total	199,865	193,955
<b>Total</b>	<b>891,802</b>	<b>864,934</b>
<b>Other amounts due</b>		
Amounts due for premium reductions	42,896	38,238
Risk compensation	323,127	19,206
Other	15,810	19,794
<b>Total</b>	<b>381,833</b>	<b>77,238</b>
<b>Prepaid expenses and accrued income</b>		
Accrued interest from capital investments	47,505	49,463
Other	110,434	78,367
<b>Total</b>	<b>157,939</b>	<b>127,830</b>
<b>Breakdown of capital investments</b>		
Bonds	3,845,560	3,788,720
Equities	984,752	1,140,907
Alternative investments	108,692	118,368
Loans and mortgages	1,273	1,527
Real estate incl. real estate funds	709,135	670,858
Participations	4,766	1,324
<b>Total</b>	<b>5,654,178</b>	<b>5,721,704</b>
<b>Fixed assets</b>		
Fixtures and fittings	6,243	6,987
IT	7,245	3,791
Other	1,216	985
<b>Total</b>	<b>14,704</b>	<b>11,763</b>
<b>Intangible assets</b>		
Software/Projects	12,756	0
<b>Total</b>	<b>12,756</b>	<b>0</b>

## Notes to the balance sheet and other information

CHF 000s	2014	2013
<b>Amounts due to policyholders and partners</b>		
Premiums billed in advance	1,007,397	968,801
Insurance benefits	86,713	236,841
Other	14,439	19,621
<b>Total</b>	<b>1,108,549</b>	<b>1,225,263</b>
<b>Other short-term liabilities</b>		
Liabilities to banks	34	63
Creditor risk compensation and administrative costs	117,743	40,328
Undeliverable ASR	327	332
Staff pension fund foundation	452	736
Other	41,110	17,678
<b>Total</b>	<b>159,666</b>	<b>59,137</b>
<b>Accrued expenses and deferred income</b>		
	<b>28,322</b>	<b>19,243</b>
These are standard accrued expenses.		
<b>Provisions for claims</b>		
Provisions for claims (gross)	3,025,648	3,016,642
Reinsurance proportion	-17,107	-16,378
<b>Total</b>	<b>3,008,541</b>	<b>3,000,264</b>
<b>Other insurance provisions</b>		
	<b>637,813</b>	<b>630,334</b>
These provisions are primarily used to cover additional insurance risks- (age, bonus, etc.) and mainly affect the VVG business.		
<b>Non-insurance-related provisions</b>		
Fluctuation reserves for capital investments	671,757	654,882
Staff/Brokers	38,970	26,036
Process risks	213	213
Special purpose reserves and funds	9,772	11,466
Premium refund	39,000	0
IT investments	20,000	20,000
Restructuring	12,225	7,685
Other	29,095	55,201
<b>Total</b>	<b>821,032</b>	<b>775,483</b>

CHF 000s	2014	2013
<b>Fire insurance values</b>		
Properties	469,213	489,009
Fixed assets	90,364	90,359

### Events after the balance sheet date

Given recent events prompted by the Swiss National Bank's decision to abandon its EUR ceiling and the repercussions on the financial markets, there were sufficient provisions to cover risks (currency risks) from investments on the date of the approval of the annual financial statements. The continuation of business operations is not jeopardised.

### Risk and control management

The conscious handling of opportunities and risks is the basis for long-term business success. This requires all management and staff to act responsibly.

Our unconditional claim is that we can meet our obligations to our customers at all times and also with a view to the future. Risk management is a key management tool in this respect and helps in achieving corporate goals and maintaining the existence and success of the Helsana Group over the long term. This is structured in such a way that the capital base and reputation of the Group and all its affiliated individual companies are protected over the long term. It strikes an appropriate balance between risk and return. Activities and responsibilities are based around the three lines of defence model, a best-practice approach recommended by international auditing associations.

– Ultimate responsibility for structuring the company-wide risk management model and the internal control system of the Helsana Group lies with the Board of Directors.

– Management and employees represent the first line of defence. The focus here is on conscientiously dealing with risks and controls. Based on our culture of openly addressing errors, we encourage our management and employees to proactively identify weaknesses and risks in their areas of activity and take countermeasures in good time. This helps us to continually improve our processes and implement our business strategy over the long term. This means we are in a better position to tackle future challenges.

– As part of the second line of defence, our internal assurance units support and monitor the activities of the first line of defence in an advisory capacity.

– As a third line of defence, our internal audit function regularly checks that the risk and control management systems are functioning properly from an independent perspective. This broad-based three-level approach helps improve the quality of the system and allows us to concentrate on business-critical risks.

The risk management system is based on international standards, ranging from identifying, analysing and assessing risks at the correct level through to risk management and risk reporting and monitoring. The risk management process builds on a wide-ranging risk catalogue: This is split into the following main categories:

- Strategic risks
- Insurance risks
- Market, credit and liquidity risks
- Operational risks

These precautions and measures taken as part of a holistic and integrated system of risk and control management allow us to fulfil our claim of meeting the needs of our stakeholders and fulfilling the relevant regulatory requirements.



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To the General Meeting of Helsana Ltd, Dübendorf

Zurich, 3 February 2015

### **Report of the statutory auditor on the consolidated financial statements**

As statutory auditor, we have audited the consolidated financial statements of Helsana Ltd, which comprise the consolidated income statement, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and the notes to the consolidated financial statements (pages 10 to 23), for the year ended 31 December 2014.

#### **Board of Directors' responsibility**

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles as set out in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the consolidated financial statements for the year ended 31 December 2014 comply with Swiss law and the consolidation and valuation principles as set out in the notes.

### **Report on other legal requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

Ernst & Young AG

Stefan Marc Schmid  
Licensed audit expert  
(Auditor in charge)

Martin Bolt  
Licensed audit expert



# Financial statements of Helsana Ltd

## Income statement and balance sheet

CHF 000s	Reference to page	2014	2013
<b>Income statement</b>			
Income from securities	28	16,297	0
Interest income	28	3,665	3,182
Investment income	28	170,000	174,200
<b>Investment income</b>		<b>189,962</b>	<b>177,382</b>
Securities expense	28	-10,322	0
Interest expenses	28	-824	0
<b>Investment expenses</b>		<b>-11,146</b>	<b>0</b>
<b>Net investment income and income from other financial investments</b>		<b>178,816</b>	<b>177,382</b>
Other income		18	0
Other expenses		-7,040	-22,901
<b>Other income</b>		<b>-7,022</b>	<b>-22,901</b>
<b>Company result before tax</b>		<b>171,794</b>	<b>154,481</b>
Taxes		-7,596	-459
<b>Company result</b>		<b>164,198</b>	<b>154,022</b>
<b>Balance sheet as at 31 December</b>			
Cash and cash equivalents	28	2,483	4
Receivables	27, 28	134,792	241,597
Prepaid expenses and accrued income	28	2,351	0
<b>Current assets</b>		<b>139,626</b>	<b>241,601</b>
Capital investments	27, 28	438,010	169,688
<b>Property, plant and equipment</b>		<b>438,010</b>	<b>169,688</b>
<b>Total assets</b>		<b>577,636</b>	<b>411,289</b>
Liabilities	28	7,016	4
Provisions	28	21,150	23,211
Accrued expenses and deferred income		12	15
<b>Borrowed capital</b>		<b>28,178</b>	<b>23,230</b>
Share capital		70,000	70,000
Statutory reserves		22,000	22,000
Free reserves		293,260	142,037
Balance sheet total		164,198	154,022
<b>Equity capital</b>		<b>549,458</b>	<b>388,059</b>
<b>Total liabilities</b>		<b>577,636</b>	<b>411,289</b>

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## Notes to the financial statements as at 31 December 2014

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### General provisions

The financial statements of Helsana Ltd have been prepared in accordance with the principles of Swiss company law.

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### Risk management

The risk assessment system of Helsana Ltd falls under the company-wide risk management system of the Helsana Group.

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### Group taxation

Helsana Ltd belongs to the Helsana Insurance Company Ltd VAT group and therefore has joint liability for VAT liabilities of the whole Group to the Federal Tax Administration.

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### Financial liabilities

There are no contingent liabilities to Group companies.

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### Valuation principles

The following balance sheet items have been measured according to the valuation principles applicable for the Helsana Group.

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### Bonds

Bonds are valued using the amortised cost method, less any operational write-downs on positions with a protracted loss of value. The creation or release of value adjustments are stated under net investment income.

---

### Equities

Measured at the lower of cost or market value.

---

### Participations

Participations are valued at cost less any necessary write-downs.

---

### Events after the balance sheet date

Given recent events prompted by the Swiss National Bank's decision to abandon its EUR ceiling and the repercussions on the financial markets, the continuation of our business operations is not jeopardised. Payment of a dividend in accordance with the proposal put forward by the Board of Directors also ensures our ability to continue as a going concern.

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## Notes to the balance sheet as at 31 December

CHF 000s	2014	2013
<b>Receivables</b>		
Receivables due from Group companies	134,150	241,597
Other receivables	642	0
<b>Total</b>	<b>134,792</b>	<b>241,597</b>
<b>Accruals and deferrals</b>		
Accrued interest	2,351	0
<b>Total</b>	<b>2,351</b>	<b>0</b>
<b>Capital investments</b>		
Bonds	197,273	0
Equities	71,049	0
Subordinate loan to Helsana Accidents Ltd	10,500	10,500
Participations	159,188	159,188
Helsana Insurance Company Ltd	70,000	70,000
Helsana Supplementary Insurance Ltd	33,900	33,900
Helsana Accidents Ltd	25,338	25,338
Helsana Investment Ltd	100	100
Sansan Insurance Ltd	5,600	5,600
Avanex Insurance Ltd	15,600	15,600
Progrès Insurance AG	350	350
maxi.ch Insurance Ltd	8,300	8,300
<b>Total</b>	<b>438,010</b>	<b>169,688</b>
<b>Liabilities</b>		
Liabilities due to banks	16	0
Liabilities to Group companies	7,000	4
<b>Total</b>	<b>7,016</b>	<b>4</b>

## Notes to the income statement

CHF 000s	2014	2013
<b>Net investment income and income from other financial investments</b>		
Income from investments in securities	3,861	0
Income from financial investments and other capital investments	172,841	177,382
Realised/Non-realised profits and losses	2,114	0
<b>Total</b>	<b>178,816</b>	<b>177,382</b>

## Proposal on the use of net profit

CHF	31.12.2014
Balance sheet total	164,198,367.92
Amount carried forward from previous year	0.00
<b>Disposable profit</b>	<b>164,198,367.92</b>
<b>Proposal by the Board of Directors</b>	
Addition to free reserves	162,098,367.92
Dividend distribution	2,100,000.00
<b>Total</b>	<b>164,198,367.92</b>

Dübendorf, 3 February 2015

On behalf of the Board of Directors of Helsana Ltd

Prof. Dr. Thomas D. Szucs

Daniel H. Schmutz

Chairman of the Board of Directors

CEO



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To the General Meeting of Helsana Ltd, Dübendorf

Zurich, 3 February 2015

### **Report of the statutory auditor on the financial statements**

As statutory auditor, we have audited the financial statements of Helsana Ltd, which comprise the income statement, balance sheet and notes (pages 26 to 29), for the year ended 31 December 2014.

#### **Board of Directors' responsibility**

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

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these 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 31 December 2014 comply with Swiss law and the company's articles of incorporation.

#### **Report on other legal requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young AG

Stefan Marc Schmid  
Licensed audit expert  
(Auditor in charge)

Martin Bolt  
Licensed audit expert



**Helsana Ltd**

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