



**Annual Report 2011.
Helvetia Prisma Group Foundation
for Employee Pensions.**

2011

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The annual report of the Helvetia Prisma 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.

Portrait.

The identification of management employees with the company depends on the employee benefit scheme as well as the company. In the search for qualified employees or managers who will make a considerable contribution to the success of the company as top performers, not only is an outstanding recruitment tool required but also a good employee benefit solution.

Tailored to needs and flexible

Helvetia Prisma Group Foundation, which was set up in 1984, offers tailor-made solutions in the area of occupational pension provision for management employees. Helvetia Prisma's pension solutions are highly flexible. This means that the additional pension needs of management employees can be seamlessly coordinated with the basic pension provision, that it is possible to react quickly to changes in environmental circumstances and that the pension solutions can be flexibly adjusted to suit new needs.

Guaranteed security

Helvetia Prisma Group Foundation offers the comprehensive security of a full insurance model: All the insurance entitlements are hedged via a collective insurance contract (also known as a full insurance contract) with Helvetia. The foundation therefore transfers the risks in the disability, death and longevity trends, the investment risks for the pension assets entrusted to it and the management to Helvetia. The full insurance contract guarantees Helvetia Prisma Group Foundation that it will always be able to meet its obligations vis à vis the active participants and pensioners. This means that there will never be any underfunding. The associated 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 financial restructuring of the foundation.

Support from a strong partner

In Helvetia, the Helvetia Prisma 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 becomes increasingly important. By delegating the management of such schemes, the affiliated pension plans benefit from the know-how of Helvetia's highly specialised employees.

Financial statements 2011.

Balance sheet

in CHF	31.12.2011	31.12.2010
Assets		
Receivables from affiliated employers	6 555 389.90	4 653 439.45
Receivables from Helvetia	42 403 589.88	45 914 510.19
Investments for pension plans	48 958 979.78	50 567 949.64
Prepayments and accrued income	1 470 865.30	1 163 369.00
Assets from insurance contracts	482 787 212.05	470 961 264.00
Total	533 217 057.13	522 692 582.64
Liabilities		
Vested benefits and pensions	3 318 663.65	3 387 871.00
Liabilities to Helvetia	6 555 389.90	4 653 439.45
Other liabilities	54 889.90	103 204.40
Liabilities	9 928 943.45	8 144 514.85
Accrued liabilities and deferred income	20 450 941.34	24 388 417.74
Employer-paid contribution reserves	8 634 179.46	7 711 978.32
Liabilities under insurance contracts	482 787 212.05	470 961 264.00
Pension liabilities and actuarial reserves	482 787 212.05	470 961 264.00
Non-committed funds of pension plans	11 413 273.04	11 483 899.94
Foundation's non-committed funds		
Balance at beginning of period	2 507.79	2 458.61
Interest	0.00	49.18
Balance at end of period	2 507.79	2 507.79
Total	533 217 057.13	522 692 582.64

Operative account

in CHF	31.12.2011	31.12.2010
Employee contributions	14 850 862.25	14 387 063.40
Employer contributions	35 006 358.65	37 933 371.95
Contributions from third parties	683 375.35	1 481 268.35
One-time payments and purchase amounts	28 975 134.55	22 056 067.05
Transfers to employer-paid contribution reserves	1 416 301.55	1 556 753.41
Ordinary and other contributions and transfers-in	80 932 032.35	77 414 524.16
Vested benefit transfers	8 721 347.50	4 813 355.15
Reimbursements of withdrawals for encouragement of home ownership/divorce	168 404.00	969 198.45
Transfers from new contracts	17 965 994.05	19 213 454.85
Entry lump sum transfers and new contracts	26 855 745.55	24 996 008.45
Inflow from contributions and entry lump sum transfers	107 787 777.90	102 410 532.61
Retirement pensions	-3 636 558.35	-3 616 421.25
Survivors' pensions	-547 179.95	-555 650.55
Disability pensions	-843 628.20	-840 959.65
Other regulatory benefits	-2 408 177.05	-1 701 795.25
Lump sum payments on retirement	-19 857 539.30	-18 581 496.55
Lump sum payments on death or disability	-4 032 864.90	-890 760.00
Regulatory benefits	-31 325 947.75	-26 187 083.25
Vested benefits for leavers	-33 119 955.10	-33 971 161.20
Withdrawals for encouragement of home ownership/divorce	-1 818 438.90	-2 178 800.35
Benefits from termination of contracts	-33 151 182.26	-6 936 521.65
Termination benefits and termination of contracts	-68 089 576.26	-43 086 483.20
Outflow for benefits and withdrawals	-99 415 524.01	-69 273 566.45
Decrease/Increase (-) in non-committed funds	75 128.10	-191 138.45
Decrease/Increase (-) in contribution reserves	-881 970.54	-225 599.11
Decrease/Increase (-) in pensioners' liabilities, actuarial reserves and contribution reserves	-806 842.44	-416 737.56
Insurance benefits	97 423 134.70	67 741 967.00
Surpluses from insurances	3 269 724.35	1 369 252.80
Income from insurance benefits	100 692 859.05	69 111 219.80
Insurance premiums	-50 358 578.70	-52 938 725.85
One-time contributions to insurances	-57 844 176.70	-48 789 304.60
Contributions to the guarantee fund	-55 515.10	-103 417.95
Insurance cost	-108 258 270.50	-101 831 448.40
Net result of insurance activities	0.00	0.00

in CHF	31.12.2011	31.12.2010
Interest income on accounts receivable	210 056.62	366 419.30
Interest on non-committed funds	-4 501.20	-12 869.53
Interest expense for liabilities	-165 324.82	-316 880.47
Interest expense for employer-paid contribution reserves	-40 230.60	-36 669.30
Net return on investments pension plans	0.00	0.00
Other income	13 350.00	19 867.50
Administration expenses	-13 350.00	-19 867.50
Income surplus before increase in reserves for fluctuations in asset value	0.00	0.00
Increase in reserves for fluctuations in asset value	0.00	0.00
Income surplus after increase in reserves for fluctuations in asset value	0.00	0.00

Explanatory notes to the financial statements.

1 General information and organisation

1.1 Legal form and objective

Helvetia Prisma Group Foundation for Employee Pensions is a group foundation that was set up by Helvetia Swiss Life Insurance Company Ltd.

Helvetia Prisma Group Foundation for Employee Pensions (hereinafter the foundation) provides an occupational benefit scheme in the area of non-mandatory insurance for employees of companies with a contract of association with the foundation and domicile, registered office or operating premises in Switzerland. Within the framework of the statutory provisions, occupational benefit scheme measures can also be applied for employers and self-employed persons.

1.2 Registration LOB and guarantee fund

The foundation is not registered in the register for occupational benefit plans. It is affiliated with the LOB Guarantee Fund (register no. C1 NR32).

1.3 Plan statutes and regulations

■ Foundation instrument

17.12.1984, revised on 15.06.2007

■ Organisation rules

2007

■ Pension fund regulations

2007

■ Partial liquidation regulations

26.04.2010

1.4 Actuaries, auditors, advisors, supervisory authority

■ Auditors

KPMG AG, Zurich

■ Pension actuaries

Helvetia Consulta Gesellschaft für
Vorsorgeberatung AG, Basel

■ Supervisory authority

Federal Social Insurance Office

1.5 Supreme body/authorised signatories

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

■ Members of the board of foundation

- Donald Desax
Chair
- Philipp Ammann
Member
- Rosmarie Champion
Member
- Thomas Klaiber
Member

■ Other authorised signatories

- René Eggimann
- Angela Godoy
- Daniel Meyer
- Martin Müller
- Carmen Pepe

1.6 Affiliated employers

Number	2011	2010
As at 31.12. prior year	948	882
Additions/Departures	-47	66
As at 31.12. reporting year	901	948

2 Active participants and pensioners

2.1 Active participants

Number	2011	2010
As at 31.12. prior year	4 417	4 409
Additions/Departures	-558	8
As at 31.12. reporting year	3 859	4 417

2.2 Pensioners

Number	31.12.2011	Trend	31.12.2010
Retirement pensioners	368	1	367
Recipients of pensioner's children's pension	2	-1	3
Recipients of disability pension	53	-2	55
Recipients of disabled's children's pension	0	0	0
Recipients of spouse's pension	36	0	36
Recipients of orphan's pension	5	0	5
Total	464	-2	466

3 Implementation of objectives

The objective of the foundation is achieved by affiliating employers to the foundation by means of a contract of association. The conclusion of a contract of association leads to the formation of a pension plan.

3.1 Characteristics of the pension benefit plan

Every pension plan has its own pension 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.

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.

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 employee benefit institution.

4.2.2 Valuation methods

Accounts receivable	Nominal value less impairments
Prepayments and accrued income	Nominal 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 are guaranteed for every pension plan by means of a collective life insurance contract with Helvetia, dated 21.12.2007.

5.2 Comments on assets and liabilities from insurance contracts

The assets and liabilities from insurance contracts listed in the balance sheet amounting to CHF 482,787,212 (prior year: CHF 470,961,264) comprise all the retirement savings capital of the active participants that are managed by Helvetia.

in %	2011	2010
Interest on LOB non-mandatory savings capital	1.5	2.0

All pensions are re-insured. The off balance sheet actuarial reserves for pensioners equals CHF 85,860,000 (prior year: CHF 84,070,000).

The foundation provides benefits only in the non-mandatory area.

5.3 Conclusions of the last actuarial report

The pension actuary confirmed in his report dated 10.02.2012 that, as per 31.12.2011, 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.

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 OOB2

All the regulatory pension benefits of the foundation are completely re-insured with Helvetia (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 return on 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 Commission 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 Comments on net return on investments

In the "Net return on investments 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 non-committed funds, the employer-paid contribution reserves of the pension plans as well as the liabilities to the beneficiaries.

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

6.3.1 Investments in the employer's enterprise

The assets for affiliated employers amounting to CHF 6,555,389.90 (prior year: CHF 4,653,439.45) are premium receivables. The majority of the receivables earned interest at 0.25%.

6.3.2 Employer-paid contribution reserves

in CHF	31.12.2011	31.12.2010
Employer-paid contribution reserves as at 01.01.	7 711 978.32	7 449 709.91
Transfers-in	1 416 301.55	1 556 753.41
Transfers from new contracts	355 783.55	297 822.75
Used for premium payments	-561 406.20	-724 559.55
Used for one-time payments	-255 798.20	-692 249.50
Benefits under termination of contracts	-72 910.16	-212 168.00
Interest	40 230.60	36 669.30
Employer-paid contribution reserves as at 31.12.	8 634 179.46	7 711 978.32

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	31.12.2011	31.12.2010
Current account balances	3 321 171.44	3 390 378.79
Current account balances LOB Guarantee Fund	54 889.90	103 204.40
Surplus safekeeping accounts	10 119 232.95	10 035 026.75
Employer-paid contribution reserves	8 634 179.46	7 711 978.32
Other non-committed funds of pension plans	1 294 040.09	1 448 873.19
Prepaid premiums	7 076 002.68	5 212 300.85
Outstanding one-time payments of participants	11 904 073.36	18 012 747.89
Total receivables from Helvetia	42 403 589.88	45 914 510.19

7.2 Comments on prepayments and accrued income

in CHF	31.12.2011	31.12.2010
Prepaid benefits	1 470 865.30	1 163 369.00
Total prepayments and accrued income	1 470 865.30	1 163 369.00

7.3 Comments on liabilities to Helvetia

in CHF	31.12.2011	31.12.2010
Premiums owed	6 555 389.90	4 653 439.45
Total liabilities to Helvetia	6 555 389.90	4 653 439.45

7.4 Comments on accrued liabilities and deferred income

in CHF	31.12.2011	31.12.2010
Insurance benefits received in advance	1 470 865.30	1 163 369.00
Premiums received in advance	7 076 002.68	5 212 300.85
Outstanding one-time payments	11 904 073.36	18 012 747.89
Total accrued liabilities and deferred income	20 450 941.34	24 388 417.74

7.5 Comments on non-committed funds of pension plans

in CHF	31.12.2011	31.12.2010
Individual surpluses	8 815 677.50	8 820 014.70
Collective surpluses	1 303 555.45	1 215 012.05
Non-committed funds	1 294 040.09	1 448 873.19
Total non-committed funds of pension plans	11 413 273.04	11 483 899.94

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 interest.

7.6.1 Comments on insurance income

in CHF	31.12.2011	31.12.2010
Insurance benefits	97 423 134.70	67 741 967.00
Surpluses from insurances	3 269 724.35	1 369 252.80
Total insurance income	100 692 859.05	69 111 219.80

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

In the reporting year risk surpluses were distributed and used as follows:

in CHF	31.12.2011	31.12.2010
Individual accumulation	3 182 190.80	1 251 241.20
Collective accumulation	48 998.75	-4 426.10
Credit to collection account	38 534.80	122 437.70
Total risk surplus	3 269 724.35	1 369 252.80

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	31.12.2011	31.12.2010
Risk premium	8 351 134.25	8 608 347.15
Cost premium	2 591 995.35	2 879 730.60
Savings premium	39 415 449.10	41 450 648.10
One-time payments	57 844 176.70	48 789 304.60
Contribution to the guarantee fund	55 515.10	103 417.95
Total insurance cost	108 258 270.50	101 831 448.40

7.7 Comments on other income

in CHF	31.12.2011	31.12.2010
Compensation for reminder costs Helvetia	7 700.00	6 600.00
Other cost compensation	5 650.00	13 267.50
Total other income	13 350.00	19 867.50

7.8 Comments on administration expenses

in CHF	31.12.2011	31.12.2010
Reminder costs	-7 700.00	6 600.00
Other costs	-5 650.00	13 267.50
Total administration expenses	-13 350.00	19 867.50

8 Supervisory authority requirements

There are no requirements of the supervisory authority.

Basel, 14 June 2012

Helvetia Prisma
Group Foundation for Employee Pensions

Donald Desax
Chair of the Board
of Foundation

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Member of the Board
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Report of the Statutory Auditors to the Board of Trustees of the
Helvetia Prisma Group Foundation for Employee Pensions, Basel

As statutory auditors, we have audited the financial statements (balance sheet, statement of income and expenditure and notes) on pages 4 to 14, the management and the investments of the Helvetia Prisma Group Foundation for Employee Pensions for compliance with the legal provisions for the year ended 31 December 2011.

The financial statements, the management of the pension fund and the investments are the responsibility of the board of trustees, whereas our responsibility is to express an opinion on these matters. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting processes and principles applied, the adherence to the investment rules, significant estimates made and the overall financial statement presentation. The audit of the management of the pension fund consists of an assessment of the adherence to the legal requirements and to the pension fund's own regulations regarding its organisation, administration, the contributions received and benefits paid and as well as the provisions concerning loyalty of the asset management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, the management of the pension fund and the investments comply with Swiss law as well as the pension fund's charter of foundation and regulations.

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

KPMG AG

Stefan Inderbinen
Licensed Audit Expert

Petra Kamber
Licensed Audit Expert

Zurich, 30 April 2012

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