



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

2012

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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 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 2012.

Balance sheet

in CHF	31.12.2012	31.12.2011
Assets		
Receivables from affiliated employers	3 955 379.85	6 555 389.90
Receivables from Helvetia	50 321 397.36	42 403 589.88
Investments for pension plans	54 276 777.21	48 958 979.78
Prepayments and accrued income	5 717 365.30	1 470 865.30
Assets from insurance contracts	522 793 705.80	482 787 212.05
Total	582 787 848.31	533 217 057.13
Liabilities		
Vested benefits and pensions	2 946 229.45	3 318 663.65
Liabilities to Helvetia	3 955 379.85	6 555 389.90
Other liabilities	59 558.10	54 889.90
Liabilities	6 961 167.40	9 928 943.45
Accrued liabilities and deferred income	27 878 552.73	20 450 941.34
Employer-paid contribution reserves	11 083 728.56	8 634 179.46
Liabilities under insurance contracts	522 793 705.80	482 787 212.05
Pension liabilities and actuarial reserves	522 793 705.80	482 787 212.05
Non-committed funds of pension plans	14 068 186.03	11 413 273.04
Foundation's non-committed funds		
Balance at beginning of period	2 507.79	2 507.79
Interest	0.00	0.00
Balance at end of period	2 507.79	2 507.79
Total	582 787 848.31	533 217 057.13

Operative account

in CHF	31.12.2012	31.12.2011
Employee contributions	16 478 329.25	14 850 862.25
Employer contributions	37 408 156.80	35 006 358.65
Contributions from third parties	17 626.90	683 375.35
One-time payments and purchase amounts	25 512 473.05	28 975 134.55
Transfers to employer-paid contribution reserves	2 553 991.70	1 416 301.55
Ordinary and other contributions and transfers-in	81 970 577.70	80 932 032.35
Vested benefit transfers	7 044 763.65	8 721 347.50
Reimbursements of withdrawals for encouragement of home ownership/divorce	593 017.00	168 404.00
Transfers from new contracts	21 647 879.04	17 965 994.05
Entry lump sum transfers and new contracts	29 285 659.69	26 855 745.55
Inflow from contributions and entry lump sum transfers	111 256 237.39	107 787 777.90
Retirement pensions	-3 600 935.20	-3 636 558.35
Survivors' pensions	-538 104.10	-547 179.95
Disability pensions	-742 481.15	-843 628.20
Other regulatory benefits	-2 080 457.10	-2 408 177.05
Lump sum payments on retirement	-21 376 356.69	-19 857 539.30
Lump sum payments on death or disability	-2 687 495.35	-4 032 864.90
Regulatory benefits	-31 025 829.59	-31 325 947.75
Vested benefits for leavers	-28 808 425.00	-33 119 955.10
Withdrawals for encouragement of home ownership/divorce	-6 189 736.70	-1 818 438.90
Benefits from termination of contracts	-3 501 150.65	-33 151 182.26
Termination benefits and termination of contracts	-38 499 312.35	-68 089 576.26
Outflow for benefits and withdrawals	-69 525 141.94	-99 415 524.01
Decrease/Increase in non-committed funds	-2 642 692.84	75 128.10
Decrease/Increase in contribution reserves	-2 399 711.90	-881 970.54
Decrease/Increase in pensioners' liabilities, actuarial reserves and contribution reserves	-5 042 404.74	-806 842.44
Insurance benefits	67 718 923.54	97 423 134.70
Surpluses from insurances	4 966 906.00	3 269 724.35
Income from insurance benefits	72 685 829.54	100 692 859.05
Insurance premiums	-54 458 229.45	-50 358 578.70
One-time contributions to insurances	-54 856 610.90	-57 844 176.70
Contributions to the guarantee fund	-59 679.90	-55 515.10
Insurance cost	-109 374 520.25	-108 258 270.50
Net result of insurance activities	0.00	0.00

in CHF	31.12.2012	31.12.2011
Interest income on accounts receivable	232 169.89	210 056.62
Interest on non-committed funds	-12 220.15	-4 501.20
Interest expense for liabilities	-170 112.54	-165 324.82
Interest expense for employer-paid contribution reserves	-49 837.20	-40 230.60
Net return on investments of pension plans	0.00	0.00
Income from services rendered	13 992.50	
Other income	18 498.00	
Other income	32 490.50	13 350.00
General administration	-13 992.50	
Auditors and pension fund actuary	-14 780.00	
Supervisory authority	-3 718.00	
Administration expenses	-32 490.50	-13 350.00
Income surplus before decrease/increase in reserves for fluctuations in asset value	0.00	0.00
Decrease/Increase in reserves for fluctuations in asset value	0.00	0.00
Income surplus after decrease/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

01.2011

■ Partial liquidation regulations

26.04.2010

1.4 Actuaries, auditors, advisors, supervisory authority

■ Auditors

KPMG Ltd, Zurich

■ Pension actuaries

Dipeka Ltd, Basel, Dominique Koch

■ Supervisory authority

The Federal Social Insurance Office (FSIO), Berne

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 other authorised signatories have a collective authority to sign with dual signature authority.

■ Members of the Board of Foundation

- Donald Desax, Chair
- Philipp Ammann, Member
- Uwe Jockers, Member
- Thomas Klaiber, Member

■ Other authorised signatories

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

1.6 Affiliated employers

Number	2012	2011
As at 31.12. prior year	901	948
Additions/Departures	31	-47
As at 31.12. reporting year	932	901

The method for determining the number of affiliation contracts was amended in comparison with the prior year. Calculated using the new method, the number of contracts as of 31.12.2011 was 969. Compared to the prior year, this results in a change of -37 contracts for 2012.

2 Active participants and pensioners

2.1 Active participants

Number	2012	2011
As at 31.12. prior year	3 859	4 417
Additions/Departures	337	-558
As at 31.12. reporting year	4 196	3 859

2.2 Pensioners

Number	31.12.2012	Trend	31.12.2011
Retirement pensioners	356	-12	368
Recipients of pensioner's children's pension	2	0	2
Recipients of disability pension	50	-3	53
Recipients of disabled's children's pension	0	0	0
Recipients of spouse's pension	38	2	36
Recipients of orphan's pension	5	0	5
Total	451	-13	464

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, 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 employee benefit institution.

4.2.2 Valuation methods

Accounts receivable	Par value less amortisation
Prepayments and accrued income	Par 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 522,793,706 (prior year: CHF 482,787,212) comprise all the retirement savings capital of the active participants that is managed by Helvetia.

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

All pensions are re-insured. The off-balance-sheet actuarial reserves for pensioners equal CHF 80,160,000 (prior year: CHF 85,860,000).

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 22.02.2013 that, as per 31.12.2012, the foundation is able to fulfil its obligations and that no other technical provisions need to be accrued.

5.4 Actuarial principles and other significant actuarial assumptions

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

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 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 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 3,955,379.85 (prior year: CHF 6,555,389.90) are premium receivables. The majority of the receivables earned interest at 0.25%.

6.3.2 Employer-paid contribution reserves

in CHF	31.12.2012	31.12.2011
Employer-paid contribution reserves as at 01.01.	8 634 179.46	7 711 978.32
Transfers-in	2 553 991.70	1 416 301.55
Transfers from new contracts	526 282.25	355 783.55
Used for premium payments	-613 796.40	-561 406.20
Used for one-time payments	-52 644.85	-255 798.20
Benefits under termination of contracts	-14 120.80	-72 910.16
Interest	49 837.20	40 230.60
Employer-paid contribution reserves as at 31.12.	11 083 728.56	8 634 179.46

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

7 Comments on other balance sheet and operative account positions

7.1 Comments on receivables from Helvetia

in CHF	31.12.2012	31.12.2011
Current account balances	2 948 737.24	3 321 171.44
Current account balances LOB Guarantee Fund	59 558.10	54 889.90
Surplus safekeeping accounts	12 905 725.00	10 119 232.95
Employer-paid contribution reserves	11 083 728.56	8 634 179.46
Other non-committed funds of pension plans	1 162 461.03	1 294 040.09
Prepaid premiums	7 087 450.73	7 076 002.68
Outstanding one-time payments of participants	15 073 736.70	11 904 073.36
Total receivables from Helvetia	50 321 397.36	42 403 589.88

7.2 Comments on prepayments and accrued income

in CHF	31.12.2012	31.12.2011
Prepaid benefits	5 698 867.30	1 470 865.30
Other accruals	18 498.00	
Total prepayments and accrued income	5 717 365.30	1 470 865.30

7.3 Comments on liabilities to Helvetia

in CHF	31.12.2012	31.12.2011
Premiums owed	3 955 379.85	6 555 389.90
Total liabilities to Helvetia	3 955 379.85	6 555 389.90

7.4 Comments on accrued liabilities and deferred income

in CHF	31.12.2012	31.12.2011
Insurance benefits received in advance	5 698 867.30	1 470 865.30
Premiums received in advance	7 087 450.73	7 076 002.68
Outstanding one-time payments	15 073 736.70	11 904 073.36
Other accruals	18 498.00	
Total accrued liabilities and deferred income	27 878 552.73	20 450 941.34

7.5 Comments on non-committed funds of pension plans

in CHF	31.12.2012	31.12.2011
Individual surpluses	11 620 186.70	8 815 677.50
Collective surpluses	1 285 538.30	1 303 555.45
Non-committed funds	1 162 461.03	1 294 040.09
Total non-committed funds of pension plans	14 068 186.03	11 413 273.04

7.6 Comments on net result of insurance activities

The reconciled net return on 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	31.12.2012	31.12.2011
Insurance benefits	67 718 923.54	97 423 134.70
Surpluses from insurances	4 966 906.00	3 269 724.35
Total insurance income	72 685 829.54	100 692 859.05

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	31.12.2012	31.12.2011
Individual accumulation	4 861 720.30	3 182 190.80
Collective accumulation	64 889.80	48 998.75
Credit to collection account	40 295.90	38 534.80
Total risk surplus	4 966 906.00	3 269 724.35

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

7.6.2 Comments on insurance cost

in CHF	31.12.2012	31.12.2011
Risk premium	8 920 543.90	8 351 134.25
Cost premium	2 674 067.50	2 591 995.35
Savings premium	42 863 618.05	39 415 449.10
One-time payments	54 856 610.90	57 844 176.70
Contribution to the guarantee fund	59 679.90	55 515.10
Total insurance cost	109 374 520.25	108 258 270.50

7.7 Comments on other income

in CHF	31.12.2012	31.12.2011
Compensation for reminder costs Helvetia	6 742.50	7 700.00
Compensation for encouragement of home ownership costs	7 250.00	5 650.00
Other income	18 498.00	
Total other income	32 490.50	13 350.00

7.8 Comments on administration expenses

in CHF	31.12.2012	31.12.2011
Reminder costs	-6 742.50	-7 700.00
Encouragement of home ownership costs	-7 250.00	-5 650.00
Auditors and pension fund actuary	-14 780.00	
Supervisory authority	-3 718.00	
Total administration expenses	-32 490.50	-13 350.00

8 Supervisory authority requirements

There are no requirements of the supervisory authority.

Basel, 24 June 2013

Helvetia Prisma
Group Foundation for Employee Pensions

Donald Desax
Chair of the Board
of Foundation

Thomas Klaiber
Member of the Board
of Foundation

Auditor's report.

Source: KPMG AG, Zurich



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Report of the Statutory Auditor on the financial statements to the Board of Foundation of the
Helvetia Prisma Group Foundation for Employee Pensions, Basel

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

Foundation Board's Responsibility

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

Responsibility of the expert in occupational benefits

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

Auditor's Responsibility

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

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

Opinion

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

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

Member of the Swiss Institute of Certified Accountants and Tax Consultants

Auditor's report.

Source: KPMG AG, Zurich



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

Reporting on the basis of legal and other requirements

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

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

We have assessed whether

- organisation and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to their size and complexity;
- funds are invested in accordance with legal and regulatory requirements;
- 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, June 24, 2013

Enclosure:

- Financial statements comprising balance sheet, income statement and notes

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Your Swiss Insurer.

