



Helvetia Switzerland

Annual Report 2013

Helvetia Prisma Group Foundation for Employee Pensions.

Your Swiss Insurer.



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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 2013.

Balance sheet

in CHF	31.12.2013	31.12.2012
Assets		
Receivables from Helvetia	2 661.29	2 507.79
Foundation investments	2 661.29	2 507.79
Receivables from affiliated employers	4 316 433.05	3 955 379.85
Receivables from Helvetia	53 021 303.93	50 318 889.57
Investments for pension plans	57 337 736.98	54 276 777.21
Prepayments and accrued income	1 321 881.30	5 717 365.30
Assets from insurance contracts	544 267 060.55	522 793 705.80
Total	602 929 340.12	582 787 848.31
Liabilities		
Vested benefits and pensions	2 634 598.05	2 946 229.45
Liabilities to Helvetia	4 316 433.05	3 955 379.85
Other liabilities	62 912.40	59 558.10
Liabilities	7 013 943.50	6 961 167.40
Accrued liabilities and deferred income	24 113 858.83	27 878 552.73
Employer-paid contribution reserves	11 466 664.56	11 083 728.56
Liabilities under insurance contracts	544 267 060.55	522 793 705.80
Pension liabilities and actuarial reserves	544 267 060.55	522 793 705.80
Non-committed funds of pension plans	16 065 151.39	14 068 186.03
Foundation's non-committed funds		
Balance at beginning of period	2 507.79	2 507.79
Income surplus	153.50	0.00
Balance at end of period	2 661.29	2 507.79
Total	602 929 340.12	582 787 848.31

Operative account

in CHF	31.12.2013	31.12.2012
Employee contributions	17 757 523.15	16 478 329.25
Employer contributions	38 583 169.20	37 408 156.80
Contributions from third parties	17 659.15	17 626.90
One-time payments and purchase amounts	26 192 610.85	25 512 473.05
Transfers to employer-paid contribution reserves	1 620 778.65	2 553 991.70
Ordinary and other contributions and transfers-in	84 171 741.00	81 970 577.70
Vested benefit transfers	4 693 389.85	7 044 763.65
Reimbursements of withdrawals for encouragement of home ownership/divorce	265 189.00	593 017.00
Transfers from new contracts	15 716 002.80	21 647 879.04
Entry lump sum transfers and new contracts	20 674 581.65	29 285 659.69
Inflow from contributions and entry lump sum transfers	104 846 322.65	111 256 237.39
Retirement pensions	-3 701 111.19	-3 600 935.20
Survivors' pensions	-916 000.65	-538 104.10
Disability pensions	-918 141.20	-742 481.15
Other regulatory benefits	-3 074 588.25	-2 080 457.10
Lump sum payments on retirement	-24 591 155.41	-21 376 356.69
Lump sum payments on death or disability	-4 998 550.95	-2 687 495.35
Regulatory benefits	-38 199 547.65	-31 025 829.59
Vested benefits for leavers	-31 356 516.40	-28 808 425.00
Withdrawals for encouragement of home ownership/divorce	-2 265 147.55	-6 189 736.70
Benefits from termination of contracts	-11 640 270.43	-3 501 150.65
Termination benefits and termination of contracts	-45 261 934.38	-38 499 312.35
Outflow for benefits and withdrawals	-83 461 482.03	-69 525 141.94
Decrease/increase in non-committed funds	-1 912 053.16	-2 642 692.84
Decrease/increase in contribution reserves	-327 043.40	-2 399 711.90
Decrease/increase in pensioners' liabilities, actuarial reserves and contribution reserves	-2 239 096.56	-5 042 404.74
Insurance benefits	79 453 788.29	67 718 923.54
Surpluses from insurances	5 577 668.30	4 966 906.00
Income from insurance benefits	85 031 456.59	72 685 829.54
Insurance premiums	-56 936 462.90	-54 458 229.45
One-time contributions to insurances	-47 177 336.65	-54 856 610.90
Contributions to the guarantee fund	-63 401.10	-59 679.90
Insurance cost	-104 177 200.65	-109 374 520.25
Net result of insurance activities	0.00	0.00

in CHF	31.12.2013	31.12.2012
Interest income on accounts receivable	336 020.26	232 169.89
Interest on non-committed funds	-84 912.20	-12 220.15
Interest expense for liabilities	-195 215.46	-170 112.54
Interest expense for employer-paid contribution reserves	-55 892.60	-49 837.20
Net return on investments of pension plans	0.00	0.00
Interest rate income on dotation capital	153.50	0.00
Net result on investments of foundation's non-committed funds	153.50	0.00
Income from services rendered	10 730.25	13 992.50
Other income	35 257.30	18 498.00
Other income	45 987.55	32 490.50
General administration	-10 730.25	-13 992.50
Auditors and pension fund actuary	-12 944.40	-14 780.00
Supervisory authority	-22 312.90	-3 718.00
Administration expenses	-45 987.55	-32 490.50
Income/expense surplus before decrease/increase in reserves for fluctuations in asset value	153.50	0.00
Decrease/increase in reserves for fluctuations in asset value	0.00	0.00
Income/expense surplus after decrease/increase in reserves for fluctuations in asset value	153.50	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

01.01.2013

■ 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

BVG- und Stiftungsaufsicht beider Basel (BSABB)

1.5 Supreme body/authorised signatories

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

■ Members of the Board of Foundation

- Andreas Lindner
Chair, as of 24.06.2013
- Vittorio Bruno
Vice-Chair, as of 24.06.2013
- Bernhard Aerni
Member, as of 24.06.2013
- Marc Hürzeler
Member, as of 24.06.2013

■ Other authorised signatories

- Donald Desax
Chair of the Board of Foundation until 24.06.2013
- Philipp Ammann
Member of the Board of Foundation until 24.06.2013
- Uwe Jockers
Member of the Board of Foundation until 24.06.2013
- Thomas Klaiber
Member of the Board of Foundation until 24.06.2013
- René Eggimann
- Angela Godoy
- Daniel Meyer
- Carmen Pepe

1.6 Affiliated employees

Number	2013	2012
As at 31.12. prior year	932	901
Additions/departures	-1	31
As at 31.12. reporting year	931	932

2 Active participants and pensioners

2.1 Active participants

Number	2013	2012
As at 31.12. prior year	4 196	3 859
Additions/departures	145	337
As at 31.12. reporting year	4 341	4 196

2.2 Pensioners

Number	31.12.2013	Trend	31.12.2012
Retirement pensioners	358	2	356
Recipients of pensioner's children's pension	3	1	2
Recipients of disability pension	47	-3	50
Recipients of disabled's children's pension	1	1	0
Recipients of spouse's pension	38	0	38
Recipients of orphan's pension	6	1	5
Total	453	2	451

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 544,267,061 (prior year: CHF 522,793,706) comprise all the retirement savings capital of the active participants that is managed by Helvetia Life.

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

All pensions are re-insured. The off-balance-sheet actuarial reserves for pensioners equal CHF 92,080,000 (prior year: CHF 80,160,000).

5.3 Conclusions of the last actuarial report

The pension actuary confirmed in his report dated 03.02.2014 that, as per 31.12.2013, the foundation is able to fulfil its obligations and that no other technical provisions need to be accrued.

5.4 Actuarial principles and other significant actuarial assumptions

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

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:

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

6.2 Asset management expense report

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

- The sum of all the expense figures for collective investments amounts to CHF 0.00 for the year under review.
- The total asset management expense indicated in the operative account as a percentage of cost-transparent investments amounts to 0% in the year under review.
- The cost transparency ratio is 100.00% for the year under review.

6.3 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 assets comprise the non-committed funds, the employer-paid contribution reserves of the pension plans as well as the liabilities to the beneficiaries.

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

6.4.1 Investments in the employer's enterprise

The assets for affiliated employers amounting to CHF 4,316,433.05 (prior year: CHF 3,955,379.85) are premium receivables. The majority of the receivables earned interest at 0.25%.

6.4.2 Employer-paid contribution reserves

in CHF	31.12.2013	31.12.2012
Employer-paid contribution reserves as at 01.01.	11 083 728.56	8 634 179.46
Transfers-in	1 620 778.65	2 553 991.70
Transfers from new contracts	0.00	526 282.25
Used for premium payments	-716 840.20	-613 796.40
Used for one-time payments	-148 291.00	-52 644.85
Benefits under termination of contracts	-428 604.05	-14 120.80
Interest	55 892.60	49 837.20
Employer-paid contribution reserves as at 31.12.	11 466 664.56	11 083 728.56

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

7 Comments on other balance sheet and operative account positions

7.1 Comments on receivables from Helvetia

in CHF	31.12.2013	31.12.2012
Current account balances	2 634 598.05	2 946 229.45
Current account balances LOB Guarantee Fund	62 912.40	59 558.10
Surplus safekeeping accounts	15 503 209.15	12 905 725.00
Employer-paid contribution reserves	11 466 664.56	11 083 728.56
Other non-committed funds of pension plans	561 942.24	1 162 461.03
Prepaid premiums	4 349 597.16	7 087 450.73
Outstanding one-time payments of participants	18 442 380.37	15 073 736.70
Total receivables from Helvetia (from investments for pension plans)	53 021 303.93	50 318 889.57

The receivables from Helvetia from investments by the foundation amounted to CHF 2,661.29 in the year under review (prior year: CHF 2,507.79).

7.2 Comments on prepayments and accrued income

in CHF	31.12.2013	31.12.2012
Prepaid benefits	1 304 569.30	5 698 867.30
Other accruals	17 312.00	18 498.00
Total prepayments and accrued income	1 321 881.30	5 717 365.30

7.3 Comments on liabilities to Helvetia

in CHF	31.12.2013	31.12.2012
Premiums owed	4 316 433.05	3 955 379.85
Total liabilities to Helvetia	4 316 433.05	3 955 379.85

7.4 Comments on accrued liabilities and deferred income

in CHF	31.12.2013	31.12.2012
Insurance benefits received in advance	1 304 569.30	5 698 867.30
Premiums received in advance	4 349 597.16	7 087 450.73
Outstanding one-time payments	18 442 380.37	15 073 736.70
Other accruals	17 312.00	18 498.00
Total accrued liabilities and deferred income	24 113 858.83	27 878 552.73

7.5 Comments on non-committed funds of pension plans

in CHF	31.12.2013	31.12.2012
Individual surpluses	14 211 384.20	11 620 186.70
Collective surpluses	1 291 824.95	1 285 538.30
Non-committed funds	561 942.24	1 162 461.03
Total non-committed funds of pension plans	16 065 151.39	14 068 186.03

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	31.12.2013	31.12.2012
Insurance benefits	79 453 788.29	67 718 923.54
Surpluses from insurances	5 577 668.30	4 966 906.00
Total insurance income	85 031 456.59	72 685 829.54

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	31.12.2013	31.12.2012
Individual accumulation	5 502 273.10	4 861 720.30
Collective accumulation	30 101.70	64 889.80
Credit to collection account	45 293.50	40 295.90
Total risk surplus	5 577 668.30	4 966 906.00

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	31.12.2013	31.12.2012
Risk premium	-8 951 810.30	-8 920 543.90
Cost premium	-2 653 324.20	-2 674 067.50
Savings premium	-45 331 328.40	-42 863 618.05
One-time payments	-47 177 336.65	-54 856 610.90
Contribution to the guarantee fund	-63 401.10	-59 679.90
Total insurance cost	-104 177 200.65	-109 374 520.25

7.7 Comments on other income

in CHF	31.12.2013	31.12.2012
Compensation for reminder costs Helvetia	9 030.25	6 742.50
Compensation for encouragement of home ownership costs	1 700.00	7 250.00
Other income	35 257.30	18 498.00
Total other income	45 987.55	32 490.50

7.8 Comments on administration expenses

in CHF	31.12.2013	31.12.2012
Reminder costs	-9 030.25	-6 742.50
Encouragement of home ownership costs	-1 700.00	-7 250.00
Auditors and pension fund actuary	-12 944.40	-14 780.00
Supervisory authority	-22 312.90	-3 718.00
Total administration expenses	-45 987.55	-32 490.50

8 Supervisory authority requirements

There are no requirements of the supervisory authority.

Basel, 14 May 2014

Helvetia Prisma
Group Foundation for Employee Pensions

Andreas Lindner
Chair of the Board
of Foundation

Vittorio Bruno
Vice-Chair

Auditor's report.

Source: KPMG AG, Zurich



**KPMG AG
Audit**

Badenerstrasse 172
CH-8004 Zurich

P.O. Box
CH-8026 Zurich

Telephone +41 58 249 31 31
Fax +41 58 249 44 06
Internet www.kpmg.ch

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

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Helvetia Prisma Group Foundation for Employee Pensions, which comprise the balance sheet, operating account and notes for the year ended December 31, 2013.

Foundation Board's Responsibility

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

Responsibility of the expert in occupational benefits

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

Auditor's Responsibility

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

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

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



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

Opinion

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

Report on additional legal and other requirements

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

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

We have assessed whether

- organisation and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to their size and complexity;
- funds are invested in accordance with legal and regulatory requirements;
- 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, May 14, 2014

Enclosure:

- Financial statements comprising balance sheet, income statement and notes

Helvetia Prisma
Group Foundation for Employee Pensions
St. Alban-Anlage 26, 4002 Basel
T 058 280 1000 (24 h), F 058 280 1001
www.helvetia.ch/prisma-foundation

Your Swiss Insurer.

