

ABB Supplementary Insurance Plan

Short Annual Report 2010

Key figures	2010	2009
	SI Plan	SI Plan
Capital investments and participations in CHF	438,926,946	438,859,397
Result after adjustments for disability and death risks in CHF	962,004	25,753,531
Employer contributions in CHF	19,286,700	18,346,700
Employee contributions in CHF	6,156,609	5,847,615
Pension benefits in CHF	21,928,438	22,068,383
Capital benefits in CHF	12,918,223	15,115,299
Net result insurance benefits in CHF ¹⁾	-2,755,156	-2,865,338
Coverage ratio with employer's contribution reserve with waiver in %	105.2	105.5
Coverage ratio without employer's contribution reserve with waiver in %	98.1	98.2
Underfunding in % ²⁾	1.9	1.8
Target value fluctuation reserve in % ²⁾	17.3	17.3

¹⁾ This amount consists mainly of the following components: additional costs due to increasing life expectancy of new and existing pensioners; difference between actual mortality rate during year under review and statistical long-term reading; difference between risk premium and actual costs for death and disability benefits.

²⁾ As % of pension capital (savings and covering capital) and actuarial reserves

Population ¹⁾	2010	in %	2009	in %
Members	1,261	55	1,281	56
Pensioners	1,015	45	1,014	44
Total	2,276		2,295	

¹⁾ SI and TEDC Plan (no double counting)

Benefits	2010	2009
	SI Plan	SI Plan
Pension increase in CHF	–	–
One-time bonus for retired pensioners in CHF	–	–
Conversion rate at 65 in %	6.6	6.7
Interest on savings capital standard strategy in %	2.0	2.0
Interest on savings capital risk strategy in %	4.6	10.3
Average interest on savings capital standard strategy over the last 10 years in %	2.9	3.0
Average interest on savings capital risk strategy over the last 10 years in %	2.8	2.5
Actuarial interest rate in %	3.25	3.375

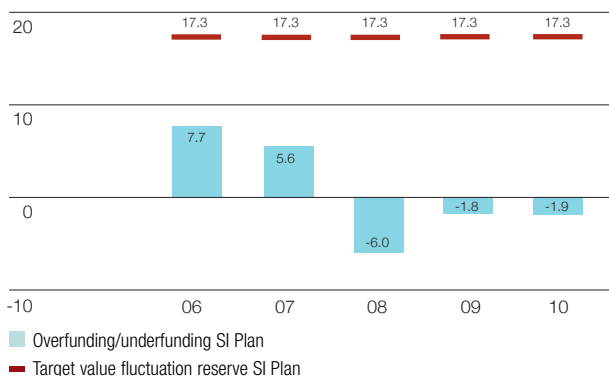
Coverage ratio unchanged in difficult market environment

The year 2010 was dominated by the euro crisis. Due to the financial situation in the PIIGS states (Portugal, Ireland, Italy, Greece and Spain), the euro fell by 15.7% against the Swiss franc in 2010. Reflecting the fragile economic situation in the USA, the dollar also lost 9.8% against the Swiss franc.

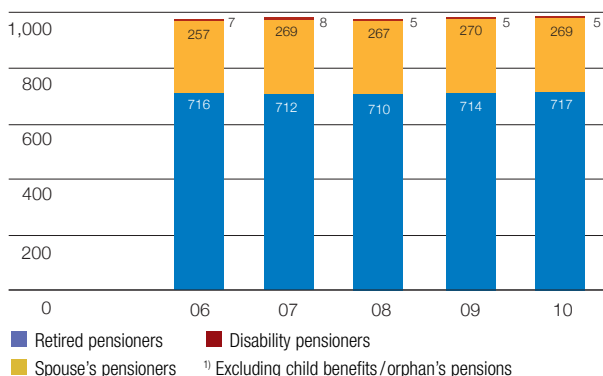
In this difficult environment, the standard strategy pursued by the ABB Supplementary Insurance Plan generated a 3.9% return and a 2.0% interest rate on savings capitals in 2011. This return figure is an excellent result given the conservative asset positioning of the ABB Supplementary Insurance Plan. Generating a 4.6% interest rate, the risk strategy paid off for the members. At 105.2% (including employer's contribution reserve), the ABB Supplementary Insurance Plan managed to keep the coverage ratio at the previous year's level.

With the outlook on the financial markets still uncertain and the ABB Supplementary Insurance Plan's coverage ratio below 100% at the end of 2010, the Board of trustees will closely observe all future developments.

Overfunding/underfunding in %



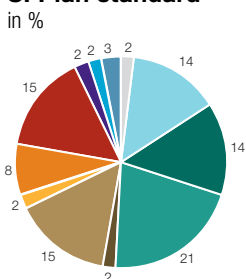
Breakdown by pensioner category ¹⁾



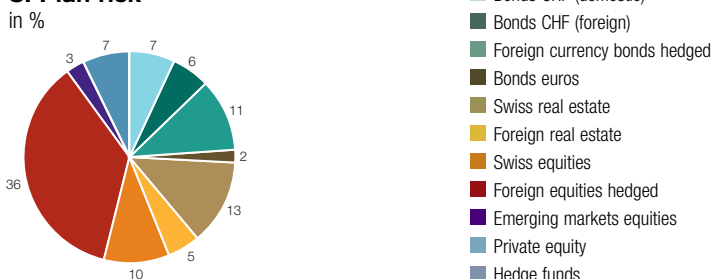
Balance sheet	31.12.2010	31.12.2009
SI Plan	CHF	CHF
Assets		
Capital investments	438,767,746	438,700,197
Employer receivables	310,176	365,342
Participations in affiliated employer companies	159,200	159,200
Cash and other assets	16,179,930	9,366,545
Total assets	455,417,052	448,591,284
Liabilities		
Liabilities and accruals	2,360,416	3,021,454
Employer's contribution reserve without waiver	1,970,562	504,698
Employer's contribution reserve with waiver	30,515,918	30,515,918
Active members' liabilities (savings capital)	198,122,338	188,882,557
Pensioners' liabilities (covering capital)	215,468,019	223,806,598
Actuarial reserves	15,092,780	9,343,107
Underfunding	-8,112,981	-7,483,048
Total liabilities	455,417,052	448,591,284

Operating account	2010	2009
SI Plan	CHF	CHF
Regulatory benefits	25,443,309	24,194,315
Vested benefits, purchase amounts, one-time payments	6,344,269	141,252,337
Inflow from contributions and entry lump sum benefits	31,787,578	165,446,652
Retirement, survivors' and disability pensions	-34,846,661	-37,183,682
Termination benefits	-4,935,645	-5,223,042
Withdrawals for home ownership/divorce	-622,489	-1,024,349
Outflow for benefits and withdrawals	-40,404,795	-43,431,073
Increase in pension liability, actuarial reserves and contribution reserves	-8,116,739	-139,387,332
Surplus share from insurance operations	93,085	0
Insurance premiums	-549,109	-626,011
Contribution to security fund	-86,613	-81,880
Net result of insurance activities	-17,276,593	-18,079,644
Net return on investments	17,145,108	41,574,518
Other income	15,657	3,530
Administration expenses	-514,105	-465,533
Expenditure/income surplus	-629,933	23,032,871

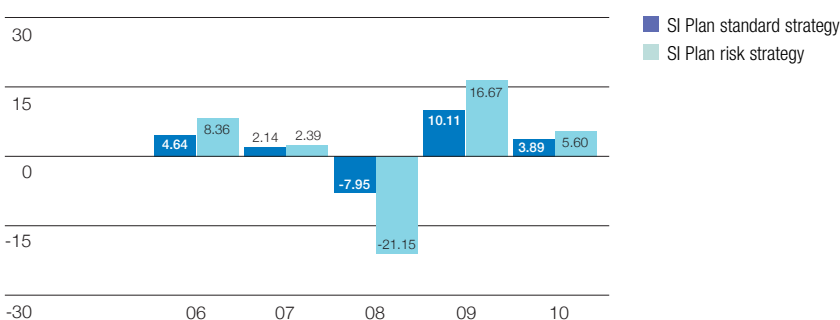
Investment strategy SI Plan standard



Investment strategy SI Plan risk



Return on capital investments in %



Official bodies

Board of trustees

Employer representatives

(term of office 1.1.2010–31.12.2013)

Renato Merz, I-Bergamo (Chairman)

Moritz Küng, Brugg

Ron Steijn, Horgen

Employee representative

(term of office 1.4.2008–31.3.2012)

Beat Reimann, Zurich

General management

Christoph Oeschger, Aarau

(General Manager)

René Siegrist, Hausen AG

(Deputy General Manager)

Other authorised signatories

Maria Gumann, Seengen

Occupational benefits expert

Markus Meier, Mercer (Switzerland) SA, Zurich

Auditor

Claudio Notter, PricewaterhouseCoopers AG, Zurich

Investment Consultant

Hansruedi Scherer, PPCmetrics AG, Zurich

Supervisory authority

Bureau of Occupational Benefits and Foundation Supervision, Aarau

Further information

The full annual report is legally binding.

It can be obtained at www.abb.ch/vorsorge or from the ABB Supplementary Insurance Plan (in German).



ABB Supplementary Insurance Plan

c/o Avadis Vorsorge AG

Bruggerstrasse 61a

Postfach

5401 Baden

T 058 585 32 32

F 058 585 29 00

abb@avadis.ch

www.abb.ch/vorsorge