

Your Swiss Insurer.



Combination with Nationale Suisse

7 July 2014

Disclaimer: Analyst Presentation

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A value enhancing transaction through reinforcement of existing markets

Significant combination benefits

- Significant scale benefits as a result of excellent fit of businesses – more than 80% increase in Swiss non-life business volumes
- Improved diversification of business volumes and earnings
- Very good cultural and geographical fit facilitates integration

Strategically compelling

- Top 3 multi-line insurer in the highly profitable Swiss insurance market
- Strengthened positions in existing European markets – more than 10% increase in business volumes
- Enhanced specialty lines through combination of two successful platforms to support international growth

Value enhancing

- Significant cost synergies and cross-selling potential
- Accretive to Helvetia's earnings and improved dividend capacity
- Strong capital position and leverage metrics consistent with S&P «A» category

A highly attractive offer



Offer value	<ul style="list-style-type: none">■ Offer price of CHF 80 per share, valuing Nationale Suisse at CHF 1.8 billion■ 26% premium to Nationale Suisse closing share price of CHF 63.5¹■ Represents transaction multiples of 16.9x P/E and a 1.9x P/BV 2013A
Consideration mix	<ul style="list-style-type: none">■ 65% in cash – CHF 52 per Nationale Suisse share■ 35% in shares – 0.0680 new Helvetia shares per Nationale Suisse share²
Synergies	<ul style="list-style-type: none">■ CHF 100-120 million pre-tax cost synergies per annum fully realised by 2017
Financial effects	<ul style="list-style-type: none">■ Normalised EPS³ accretive from year 1, 20%+ uplift from 2016■ Improved dividend capacity
Capital and rating	<ul style="list-style-type: none">■ Retention of excellent solvency position (Solvency I ratio > 200%)■ Metrics consistent with S&P «A» category

Notes:

1 Closing price as of 4 July 2014

2 Fractional entitlements will be compensated in cash

3 Normalised EPS excludes IFRS amortisation of fair value adjustments arising from acquisition accounting and restructuring charges. Earnings forecasts based on analyst estimates

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An attractive and complementary non-life focused insurer

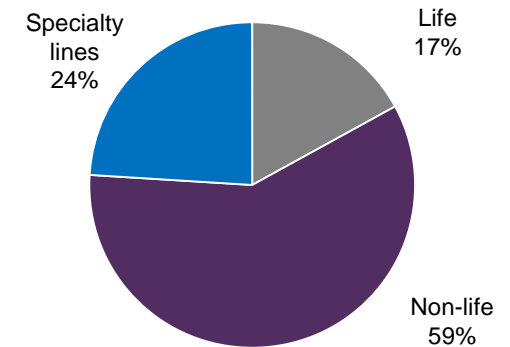
Key facts and figures

- 10th largest insurer in the highly profitable Swiss market
- Presence in four European markets as well as a growing footprint in Asia and Latin America
- Strong bias towards high return non-life business
- Specialty lines business as an important strategic pillar
- Operational headquarter in Basel, where Helvetia's Swiss operations are located

KPI	2013
Business volume	CHF 1.5 billion
Net income	CHF 104 million
Shareholders' equity	CHF 948 million
Solvency I ratio	276%
Employees	ca. 1,900

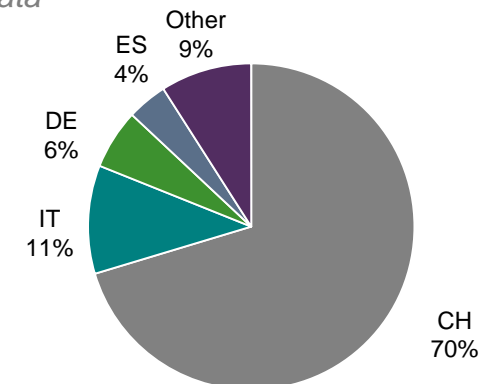
Business volume by segment

Based on 2013 data



Business volume by geography

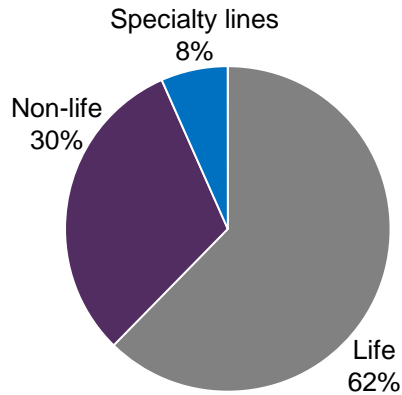
Based on 2013 data



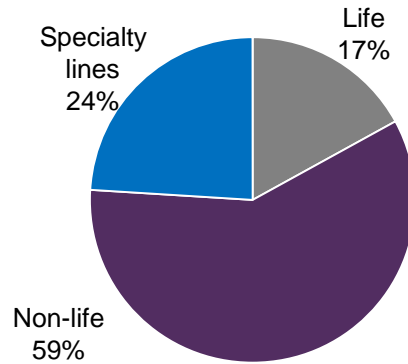
An improved business profile ...

Significant product and geographical fit and improved life/non-life balance

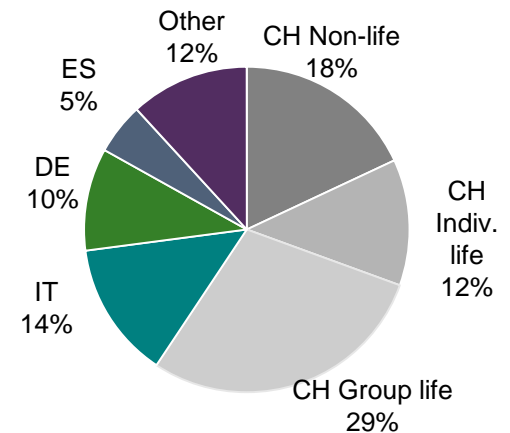
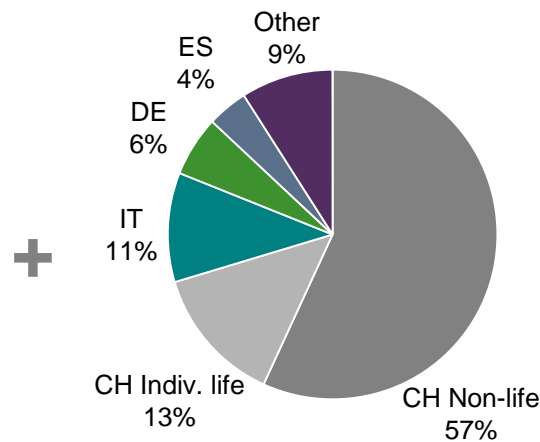
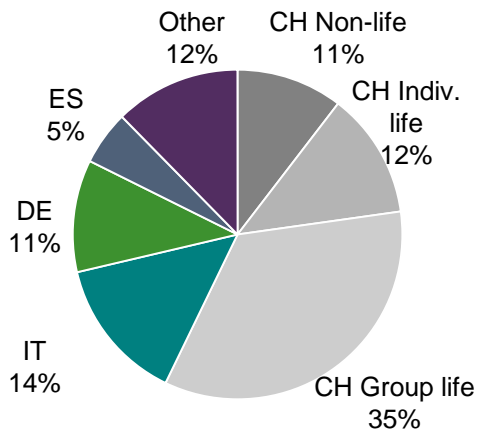
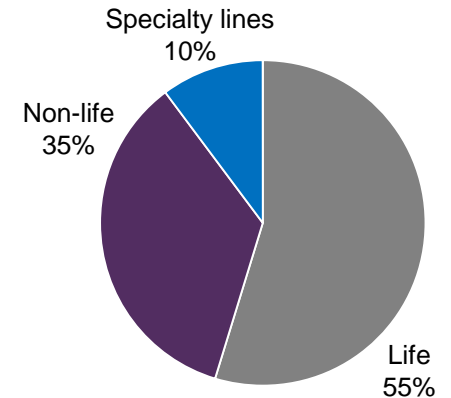
Helvetia¹



Nationale Suisse



Pro-forma combined



Business volume: CHF 7.6 billion

Business volume: CHF 1.5 billion

Business volume: CHF 9.1 billion

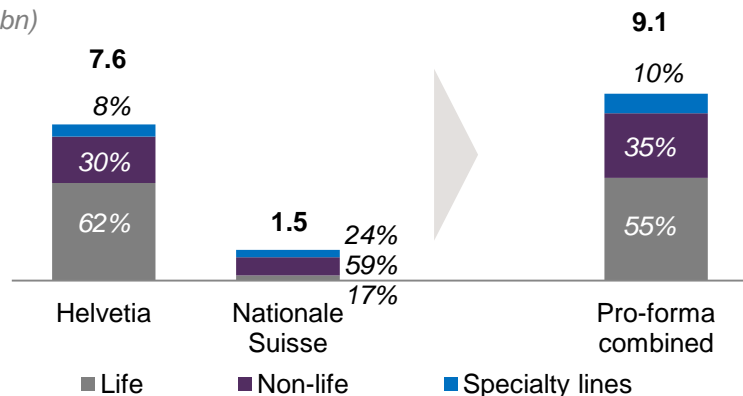
Note: Based on 2013 data
 1 Including Baloise AT pro-forma

... and a strong financial profile

Increased quality of profits from additional non-life business

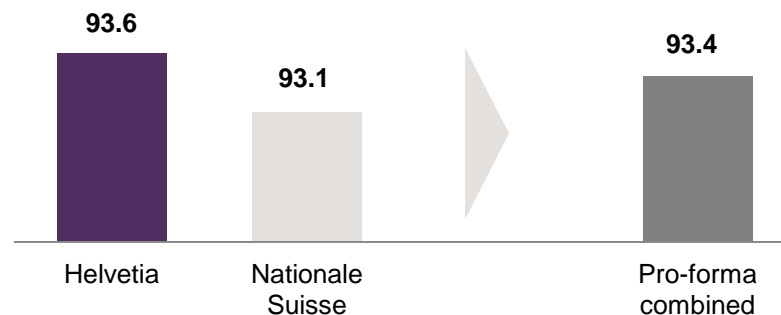
Total business volume¹

(CHF bn)



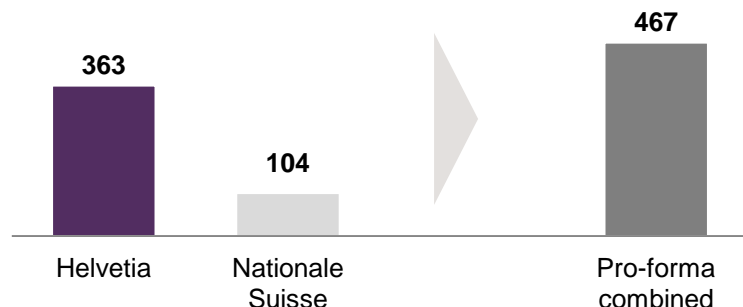
Non-life combined ratio

(% NEP)



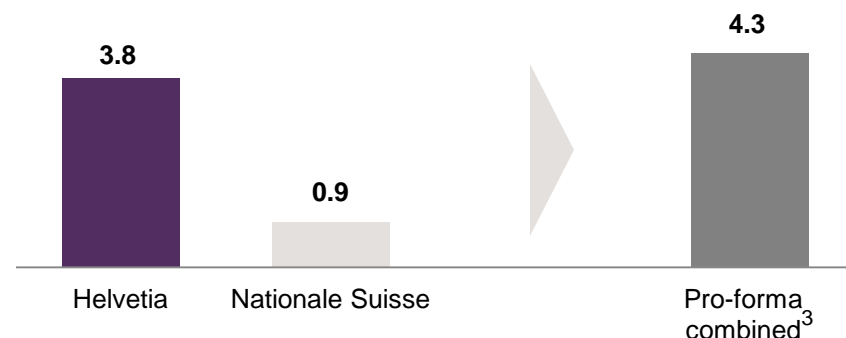
Profit after tax²

(CHF m)



Shareholders' equity

(CHF bn)



Notes: Based on 2013 data

¹ Excludes consolidation adjustments, synergies and financing costs related to the transaction. Including pro-forma Baloise AT

² Excludes consolidation adjustments, synergies and financing costs related to the transaction

³ Helvetia's equity excluding hybrids. Combined equity based on Helvetia's current shareholders' equity and new equity issued as part of the transaction

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Summary and next steps

Three distinct pillars underpinning our long-term strategic success

Business
volume¹

<p>1</p> <p>Top 3 position in the Swiss market</p>	<ul style="list-style-type: none"> ■ Strengthened no. 3 position in one of Europe's most profitable insurance markets, particularly in non-life retail ■ Improved business mix between life and non-life ■ Enhanced distribution platform with better geographical diversification and the addition of an established direct channel 	<p>~ CHF 5 billion</p> <p>~+19%</p> <p>NL: ~+85%</p>
<p>2</p> <p>Attractive positions across key European markets</p>	<ul style="list-style-type: none"> ■ Strengthening of operations in existing markets ■ Strong business and cultural fit facilitates integration ■ Business mix of Nationale Suisse similar to Helvetia's 	<p>~ CHF 3 billion</p> <p>~+11%</p>
<p>3</p> <p>Specialty Lines as an international growth platform</p>	<ul style="list-style-type: none"> ■ Leveraging combined product capabilities on an enlarged platform to build on specialty lines success story at both companies ■ Combined balance sheet strength supports international growth 	<p>~ CHF 1 billion</p> <p>~+60%</p>

Note:

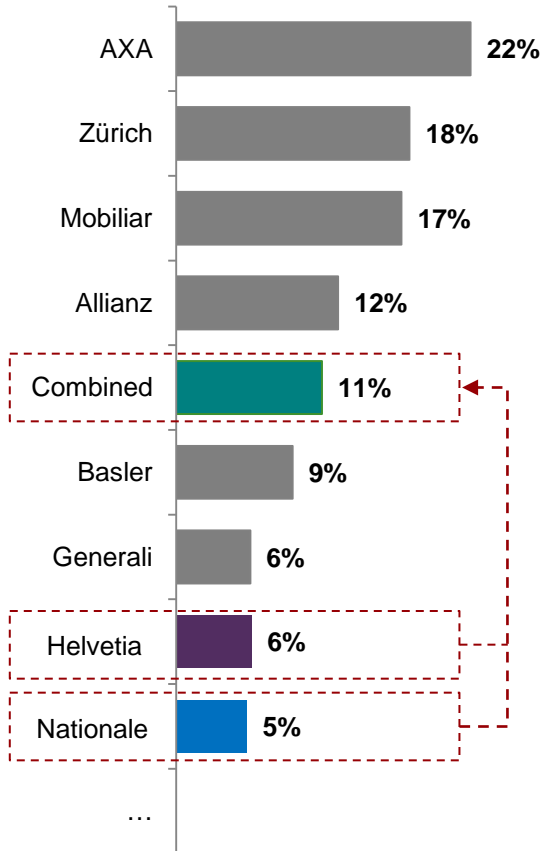
1 Specialty Lines consists of active reinsurance operations, market unit France and business lines Marine/Transport, Engineering and Art

1 Strengthened market position in Switzerland

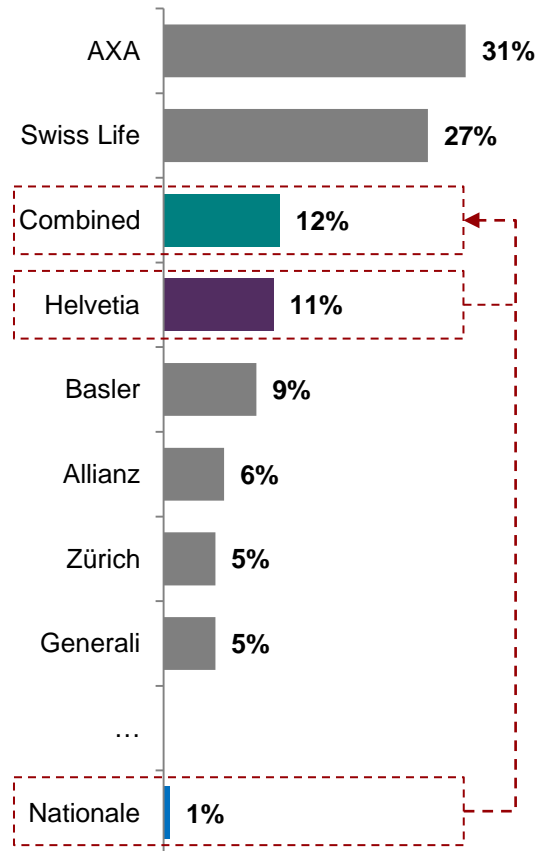


Top 3 position in one of Europe's most profitable insurance markets

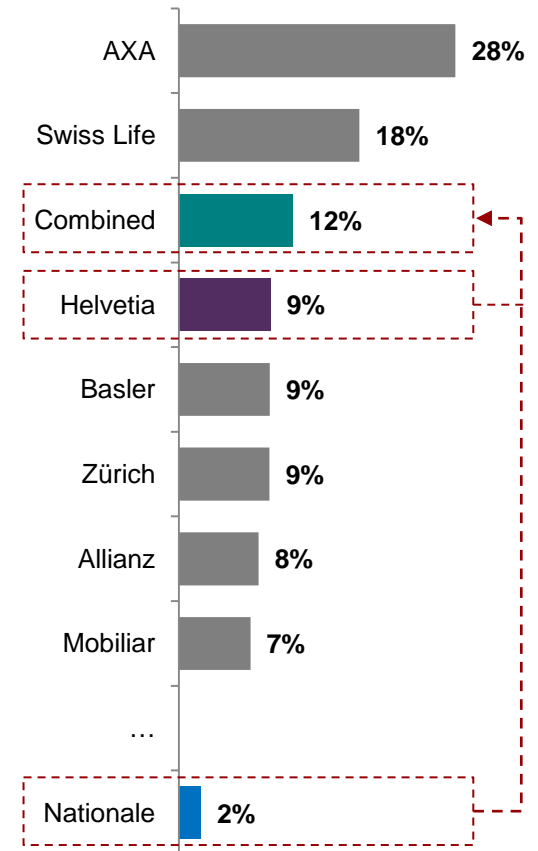
Non-life market share¹



Life market share¹



Total market share¹



Source: Helvetia estimates

Note:

¹ Market share defined as % of GWP

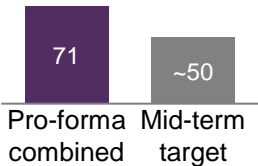
1 Strengthened distribution capabilities

Enhanced client access through comprehensive multi-channel strategy

Enhance own sales force network

- Expansion of distribution network across Switzerland
- Consolidation of overlapping agencies

General agencies



Balancing of distribution network

- Increased presence in the French speaking areas
- Improved coverage in Italian speaking Switzerland



Leverage direct distribution channel

- Brings successful direct distribution capabilities to Helvetia
- smile.direct will be maintained as separate brand



Expand strategic cooperations

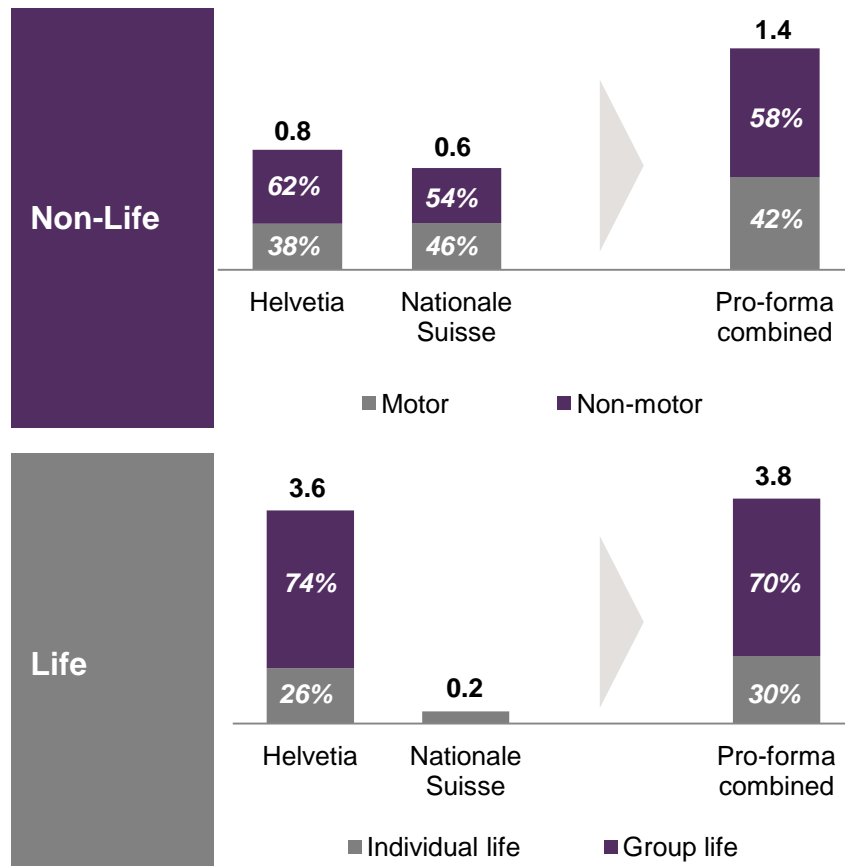


1 Leading multi-line insurer in Switzerland...

...geared towards the attractive non-life segment

Overview of Swiss operations

Business volumes (CHF bn)¹



Significant combination benefits

- 85% increase of non-life business volumes in Switzerland to CHF 1.4 billion
- Ease of transformation of Nationale Suisse's non-life and life products into Helvetia
- Nationale Suisse's individual life business a natural add-on to Helvetia, with only marginal additional cost
- Cross-selling potential of travel insurance, credit life, specialty lines products and group life between current Nationale Suisse and Helvetia customers
- Strengthening of Basel (Swiss operations HQ) as non-life hub, including accident & health, travel and credit life businesses

Note:

1 Based on 2013 data. Excludes specialty lines.

2 Overlapping market positions in Europe

Strengthening of competitive positions in core European markets

Pro-forma combined financials¹

Business volume (CHF m)	Helvetia		Nationale Suisse		Pro-forma combined	
Italy	1,075		142		1,217	
Germany	779		60		839	
Spain	392		43		435	
Austria²	480		0		480	
Belgium	0		59		59	
Total	2,726		303		3,029	

Non-life
 Life

Competitive position

- Strengthened positions in European retail markets with ca. CHF 3 billion in business volumes
- Significant scale benefits due to similar business mix
- ... resulting in compelling cost reduction potential
- ... aided by close geographical and cultural fit
- Potential for cross-selling of life and specialty lines products

Notes:
 1 Based on 2013 business volume; excludes specialty lines
 2 Pro-forma: includes CHF 167 million from Balaise AT

3 Specialty lines as a platform for growth

Combined business with better specialty lines product mix

Pro-forma combined financials¹

<i>Business volume (CHF m)</i>	Helvetia	Nationale Suisse	Pro-forma combined
Engineering	32	189	221
Marine/Transport	367	151	518
Art	–	15	15
Active reinsurance	195	–	195
Total	593	356	949

- New standalone specialty lines business unit with representation in the Group Executive Board of Helvetia
- The unit will operate with clearly defined centralised guidelines
- Enhanced reinsurance capacities and stronger balance sheet allow for optimisation of technical risks

Competitive position

- **Engineering** – strong position in Switzerland and promising international platforms
- **Marine/Transport** – considerable combination potential, with leading positions in France, Switzerland and Austria as well as substantial portfolio size in Germany; Spain and Italy identified as potential development areas
- **Art** – addition of Nationale Suisse's unique skills in this segment
- **Active reinsurance** – well positioned franchise with strong synergy potential in engineering, marine and transport

Note:

1 Based on 2013 data

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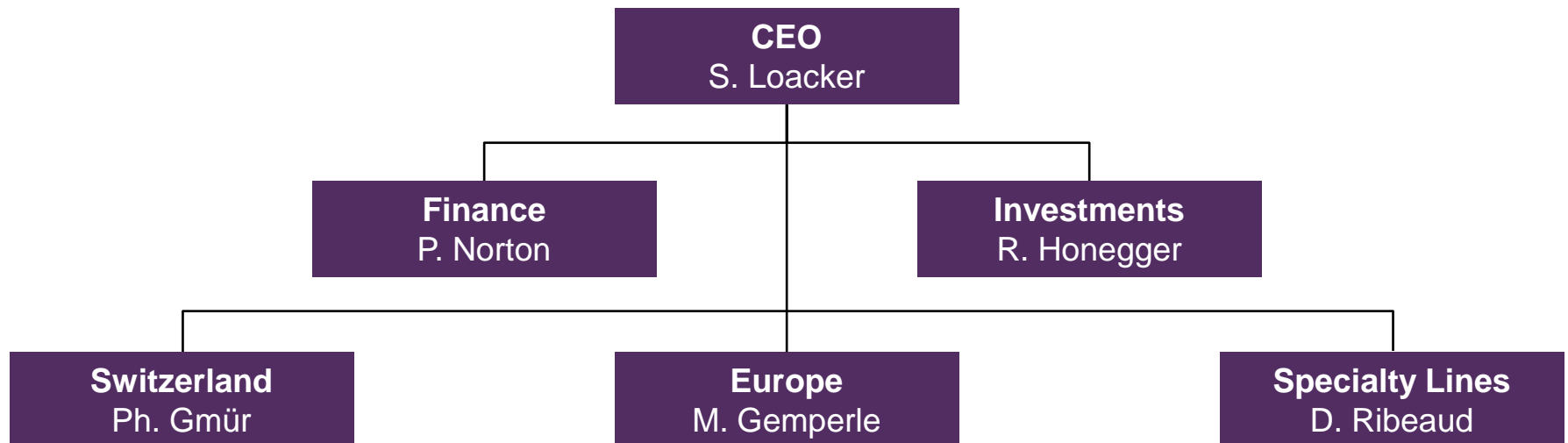
Experienced leadership enhanced by Nationale Suisse

Board of Directors

- Chairman: Erich Walser
- Deputy chairpersons: Doris Russi Schurter and Hans Künzle
- Andreas von Planta and additional new directors from Nationale Suisse to be elected

Group Executive Management

- Stefan Loacker to remain CEO of the new Group
- Strengthening of the management team of the new Helvetia Group by David Ribeaud who will lead the Specialty Lines business



Proven integration capabilities

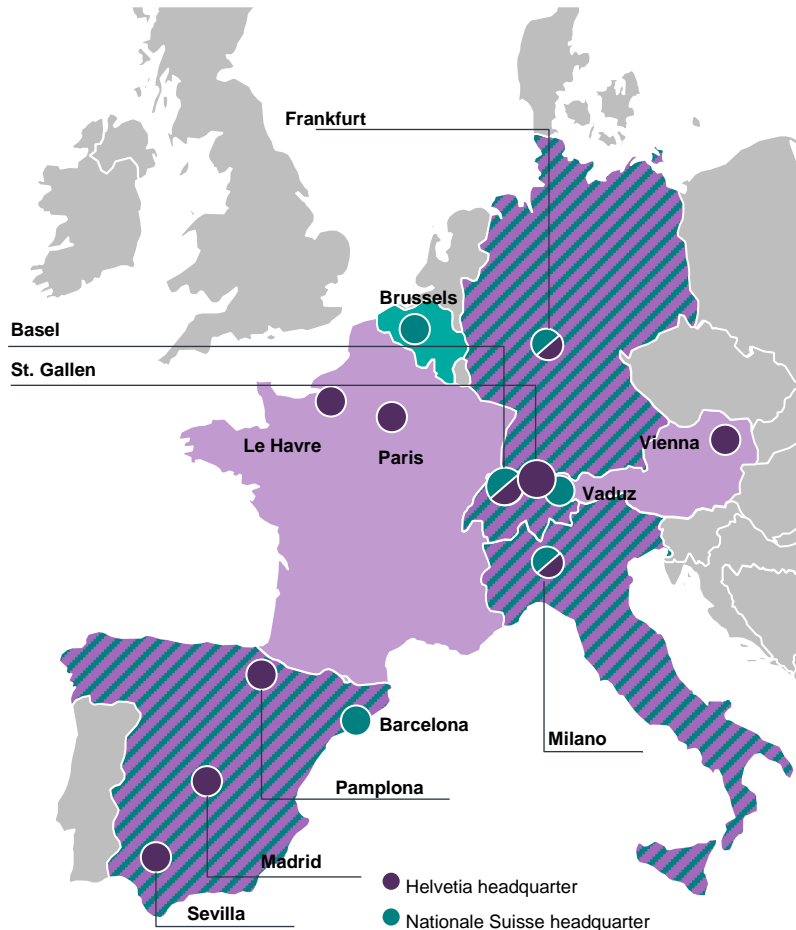
Successful M&A track record in Switzerland, as well as internationally

Switzerland	 2010	 2010	 2012	
Italy	 2008	 2008/12	 2013	
Austria (closing pending)			 2014	
France	 2009	 2012		

Close geographical and cultural fit ...

... facilitating ease of post-merger integration

Geographical footprint¹



Complementary operations

- Overlapping presence in four key European markets: Switzerland, Germany, Italy and Spain
- Headquarters in the same European locations (except Spain), facilitating the integration process
- Similar brand perception for both groups as “Swiss” insurer
- Cultural proximity due to common Swiss heritage with strong roots in Basel for both groups

Note:

¹ In addition to branches in Malaysia (Kuala Lumpur), Singapore and representative office in the US (Miami) as well as Turkey (Istanbul)

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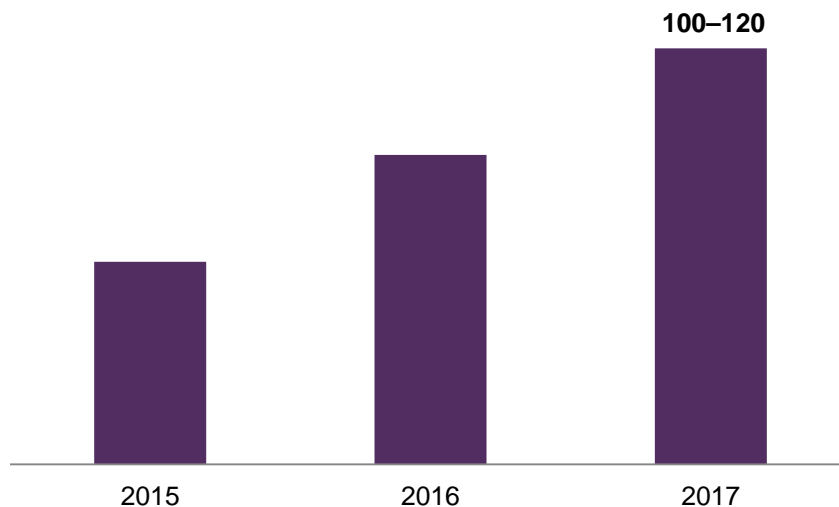
Summary and next steps

Significant cost synergies

CHF 100–120 million pre-tax cost synergies per annum fully realised by 2017

Ramp-up profile of cost synergies

(CHFm, pre-tax)



- CHF150–180m pre-tax restructuring costs (one-off) expected over the 2015–2017 period

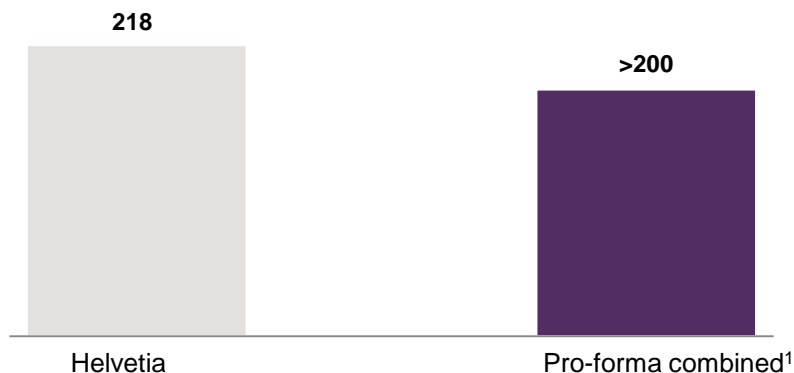
Key areas of cost synergies

- Process streamlining, especially in the non-life segments
- Efficiency improvements across combined distribution network
- Streamlining of overlapping corporate functions
- Reduction of group-wide costs, including projects and IT expenses
- FTE reduction mostly via normal attrition (rate of 5-10% per annum) and socially acceptable solutions
- No revenue synergies factored, yet strong potential exists

Capital and leverage metrics consistent with S&P «A» category

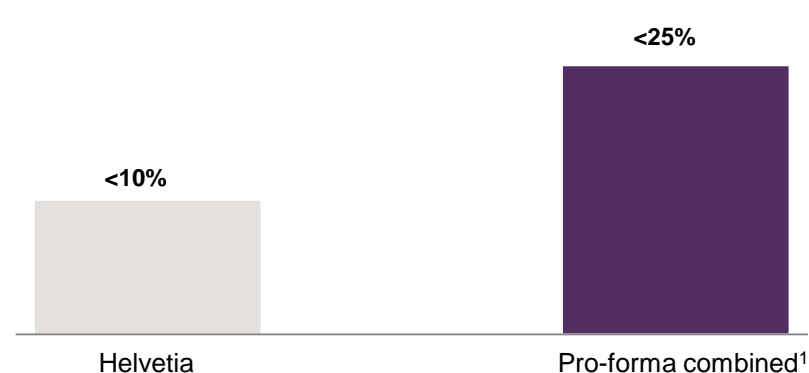
Solvency I ratio above 200%

(Solvency I ratio, %)



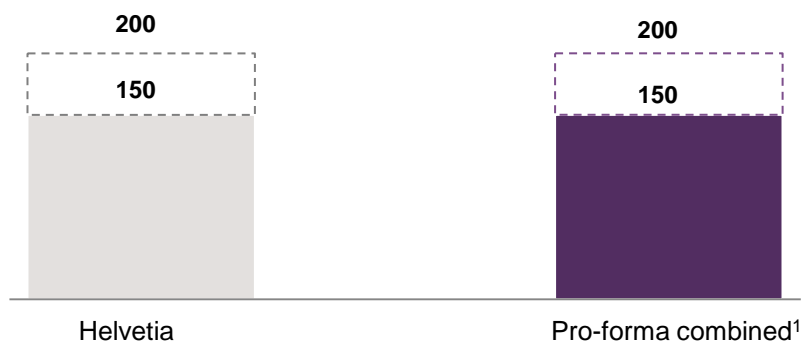
Robust S&P leverage ratio below 25%

(S&P leverage ratio, %)



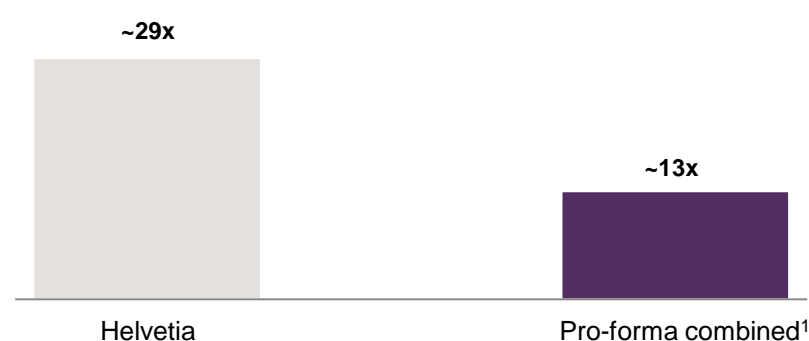
SST ratio buffer maintained

(SST ratio, %)



Sound interest cover

(Interest cover, x)



Note:

¹ Based on 2013 numbers, interest cover incl. expected financing costs of the proposed transaction on a full year basis

A value enhancing transaction...

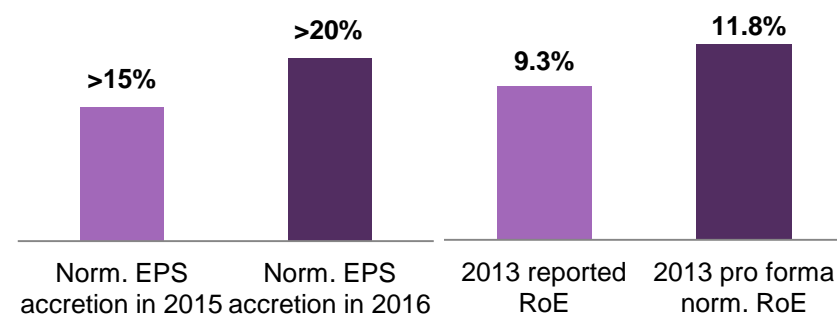
... based on improving earnings and dividend capacity, supported by synergies

Financial impacts

- Improved earnings quality, supported by increased share of non-life profits
- CHF 100-120 million pre-tax cost synergies per annum, fully realised from 2017 onwards, leading to:
 - Normalised EPS¹ accretive from year 1 onwards
 - Normalised RoE² enhancement from year 1 on pro-forma basis
 - Increased dividend capacity where standalone post-tax cost synergies contribute CHF1.7-3.6 to pro-forma DPS³
 - Dividend policy: 30-50% payout policy to be maintained
- IFRS net income to be impacted by amortisation of intangibles and restructuring charges

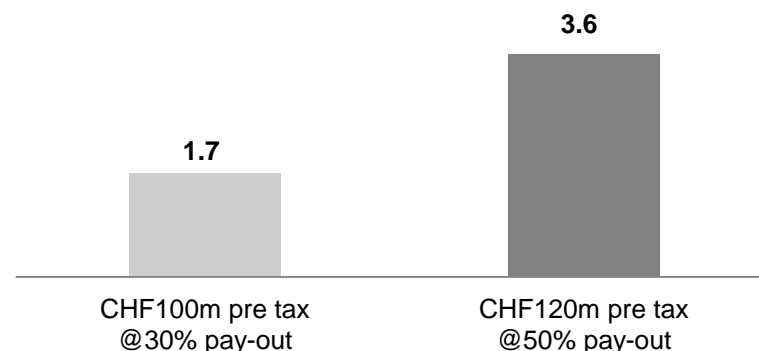
Normalised EPS¹ accretion and RoE² impacts

(EPS figures based on consensus estimates)



Dividends per share from cost synergies³

(CHF, per share based on run-rate synergies)



Notes:

1 Normalised EPS excludes IFRS amortisation of intangibles arising from acquisition accounting and restructuring charges

2 Pro forma RoE includes Nationale Suisse's 2013 reported net income, illustrative year 1 synergies, excl. amortisation of intangibles and restructuring charges; equity includes new share capital issued

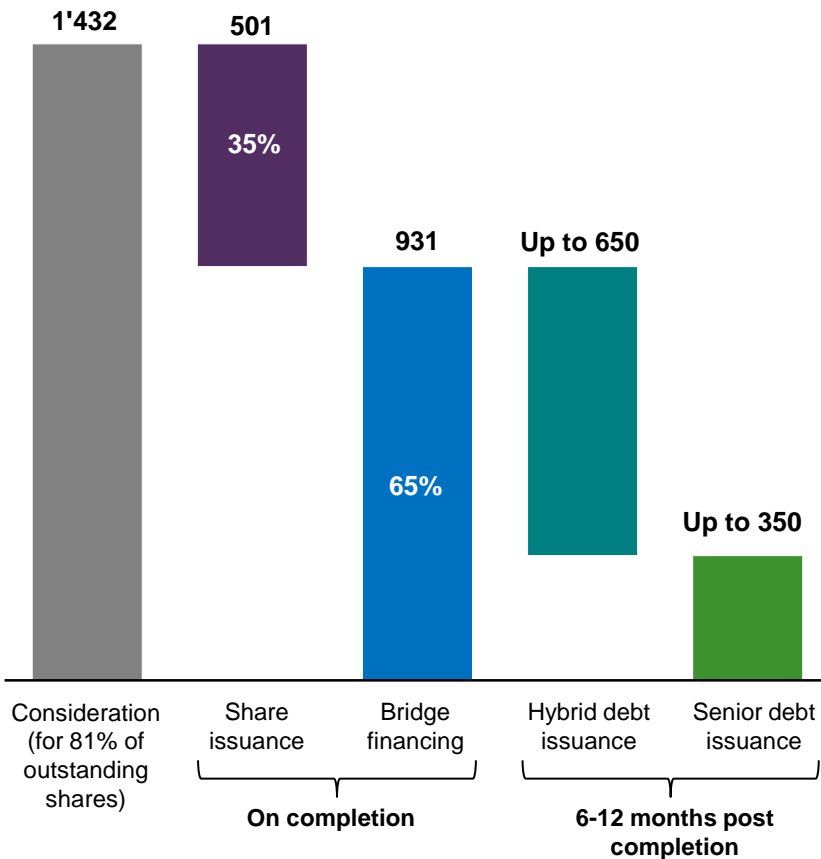
3 Based on CHF100-120m pre-tax synergies, after additional financing costs, and 30-50% pay-out ratio assumption

Robust financing structure ...

... underpinned by Helvetia's strong debt issuance track record

Funding structure

(CHFm)



Financing instruments

Share issuance

- Up to 1.22 million new Helvetia shares issued to Nationale Suisse shareholders upon completion

Bridge financing

- Fully committed bridge facility for the entire cash portion of the offer consideration

Hybrid debt issuance

- Partial refinancing of the bridge facility via issuance of up to CHF 650 million hybrid debt

Senior debt issuance

- Partial refinancing of bridge facility via issuance of up to CHF 350 million senior debt

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Preliminary transaction timetable



Completion of public offer expected for 20 October 2014

7 July 2014	■ Transaction announcement
8 August 2014	■ Publication of the offer prospectus
25 August 2014	■ Start of the main offer period
17 September 2014	■ Helvetia extraordinary general meeting to approve issuance of consideration shares
19 September 2014	■ End of the main offer period
26 September 2014	■ Start of the additional offer period
10 October 2014	■ End of the additional offer period
20 October 2014	■ Settlement; issuance of new Helvetia shares to shareholders of Nationale Suisse and payment of cash component

A value enhancing transaction through reinforcement of existing markets



Significant combination benefits



Strategically compelling



Value enhancing