

St.Gallen, 11 March 2013

## Media release

### Helvetia raises profit and strengthens market position

The Helvetia Group boosted its profit by 18.0 per cent to CHF 342.2 million in 2012. While its Swiss home market was as strong as usual, foreign markets posted vastly improved results. The business volume of about CHF 7 billion was more or less unchanged year-on-year. Equity increased to CHF 4.1 billion and Solvency I improved to 229 per cent. A 6.25 per cent higher dividend of CHF 17.00 per share will be proposed to the Shareholders' Meeting.

#### Key figures for the 2012 financial year at a glance:

- **Earnings after tax: CHF 342.2 million** (2011: CHF 289.9 million; + 18.0 per cent<sup>\*</sup>)
- **Business volume: CHF 6,978.5 million** (2011: CHF 7,172.1 million; - 1.8 per cent in original currency)
- **Solvency I: 229 per cent** (2011: 221 per cent<sup>\*</sup>)
- **Combined ratio (net): 93.5 per cent** (2011: 95.6 per cent<sup>\*</sup>)
- **Equity: CHF 4,100 million** (2011: CHF 3,678 million<sup>\*</sup>)
- **Proposed dividend: CHF 17.00 per share** (2011: CHF 16.00 per share)
- **Other key figures are listed in the appendix**

Helvetia's business development was solid in 2012: the year-end result increased 18.0 per cent to CHF 342.2 million. The business volume of CHF 6,978.5 million remained more or less unchanged year-on-year. The non-life business was strong with an improved combined ratio of 93.5 per cent, while the life business maintained stable margins between current income and average guaranteed interest despite low prevailing interest rates. With earnings at CHF 237.5 million, the Swiss home market was still the Group's strongest income generator, although the foreign units clearly improved earnings year-on-year. Helvetia Germany in particular returned to profitability through highly focused measures and earned a profit of CHF 26.8 million (2011: CHF - 18.1 million).

#### Good investment performance

Both the investment income of CHF 1,177.8 million (+ 34.1 per cent) and the investment performance of 5.5 per cent (2011: 3.6 per cent) came in well above the previous year's figures. This bears out once again, the Group's proven investment strategy of broad diversification, selective hedging and high-quality investments.

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<sup>\*</sup> The previous year's data was adjusted following a change to the accounting policies.

**Financial strength and higher dividend**

The good investment performance resulted in a further increase in the valuation reserve and consequently in equity. Helvetia's financial position remains solid with CHF 4,100 million in equity and Solvency I at 229 per cent. Thanks to the strong balance sheet and favourable business development, a 6.25 per cent higher dividend of CHF 17.00 per share will be proposed to the Shareholders' Meeting. The intention is to use practically all of the remaining capital contribution reserve of CHF 122.1 million (CHF 14.00 per share), the payout of which is tax-exempt for individuals in Switzerland, to pay the dividend. The Group is maintaining its attractive dividend policy with a payout ratio of 44 per cent.

**Successful acquisitions strengthen market position**

Helvetia has used its financial strength to expand further in Europe. It supplemented organic growth by making acquisitions in three country markets during the reporting year. The acquisitions will not be fully recognised in profit and loss or growth figures until 2013. Helvetia has positioned itself as a strong no. 2 in the French transport insurance market thanks to the portfolio it acquired from Groupama. It also renewed its sales agreement with Banco di Desio in Italy for another ten years and extended it to non-life business. In addition, Helvetia increased its holding in Chiara Vita from 70 to 100 per cent and purchased a majority holding of 51 per cent in Chiara Assicurazioni. In Switzerland, the acquisition of SEV Versicherungen Genossenschaft strengthened Helvetia's individual life insurance business and provided access to a new customer segment.

Stefan Loacker, CEO of Helvetia Group, is delighted with the 2012 financial year: "Our 2012 year-end result shows that we have effectively managed the challenges of a demanding market environment. The acquisitions support our growth and our confidence that we will profitably serve our existing markets in the long term, too."

**Notes**

- A media conference in German will take place today at 09:00. This will be followed by an analysts' meeting and a conference call in English at 11:30.
- The analysts' meeting can be followed on the internet at [www.helvetia.com/en](http://www.helvetia.com/en). A web replay of the analysts' meeting will be available on [www.helvetia.com/en](http://www.helvetia.com/en) from 16:00 today.
- The shareholders' letter, the preprint of the annual report and Powerpoint presentation for the media and analysts' conference can be downloaded from [www.helvetia.com/en/ir-infokit](http://www.helvetia.com/en/ir-infokit) immediately.
- The most important key figures are provided in the enclosed fact sheet.

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**About Helvetia Group**

In over 150 years, Helvetia Group has grown from a number of Swiss and foreign insurance companies into a successful insurance group that does business everywhere in Europe. Today, Helvetia has branch offices in Switzerland, Germany, Austria, Spain, Italy and France, and routes some of its investment and financing activities through subsidiaries and fund companies in Luxembourg and Jersey. The Group is headquartered in St. Gallen in Switzerland. Helvetia is active in the life, property and casualty and reinsurance business, and almost 5,200 employees provide services to more than 2.7 million customers. With a business volume of CHF 7.0 billion, Helvetia posted a net profit of CHF 342.2 million in the 2012 financial year. The Helvetia Holding registered share is traded on the SIX Swiss Exchange under the symbol HELN.

**Cautionary note regarding forward-looking statements**

This document was prepared by Helvetia Group and may not be copied, altered, offered, sold or otherwise distributed to any other person by any recipient without the consent of Helvetia Group. Although all reasonable effort has been made to ensure that the facts stated herein are correct and the opinions contained herein are fair and reasonable, where any information and statistics are quoted from any external source such information or statistics should not be interpreted as having been adopted or endorsed as accurate by Helvetia Group. Neither Helvetia Group nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this information. The facts and information contained in this document are as up to date as is reasonably possible but may be subject to revision in the future. Neither Helvetia Group nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this document.

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The purpose of this document is to inform the shareholders of Helvetia Group and the public of the business performance of Helvetia Group in the 2012 financial year. This document does not constitute an offer or a solicitation to exchange, buy or subscribe to securities, nor does it constitute an offering circular as defined by Art. 652a of the Swiss Code of Obligations or a listing prospectus as defined by the listing rules of the SIX Swiss Exchange. Should Helvetia Group in the future make one or more capital increases, investors should make their decision to buy or to subscribe for new shares or other securities solely based on the relevant offering circular. This document is also available in German, French and Italian. The German version is binding.

# Key figures at 31.12.2012

	2012	2011	Change
<b>Key share data Helvetia Holding AG</b>			
Group profit for the period per share in CHF	38.1	32.7	16.6%
Consolidated equity per share in CHF	441.3	392.0	12.6%
Price of Helvetia registered shares at the reporting date in CHF	346.5	295.0	17.5%
Market capitalisation at the reporting date in CHF million	2 998.2	2 552.6	17.5%
Number of shares issued	8 652 875	8 652 875	

in CHF million	in Group currency		
<b>Business volume</b>			
Gross premiums life	4 201.4	4 258.6	-1.3%
Deposits received life	149.8	261.2	-42.7%
Gross premiums non-life	2 412.4	2 431.8	-0.8%
Assumed reinsurance	214.9	220.5	-2.5%
Business volume	6 978.5	7 172.1	-2.7%

<b>Key performance figures</b>			
Result life	139.5	155.2	-10.1%
Result non-life	180.6	135.5	33.4%
Result other activities	22.1	-0.8	-
Group profit for the period after tax	342.2	289.9	18.0%
Investment result	1 315.3	832.9	57.9%
of which investment result from Group financial assets and investment property	1 177.8	878.4	34.1%

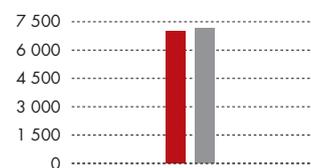
<b>Key balance sheet figures</b>			
Consolidated equity (without preferred securities)	3 800.3	3 377.9	12.5%
Provisions for insurance and investment contracts (net)	32 786.4	30 125.5	8.8%
Investments	37 733.2	34 839.0	8.3%
of which Group financial assets and investment property	35 729.2	32 978.0	8.3%

<b>Ratios</b>			
Return on equity <sup>1</sup>	9.2%	8.6%	
Reserve to premium ratio non-life	142.0%	132.9%	
Combined ratio (gross)	91.0%	94.3%	
Combined ratio (net)	93.5%	95.6%	
Direct yield	2.8%	2.9%	
Investment performance	5.5%	3.6%	
Solvency I	229%	221%	

<sup>1</sup> Based on the earnings per share (including interest on preferred securities through profit and loss) divided by the average shareholder capital (equity before preferred securities).

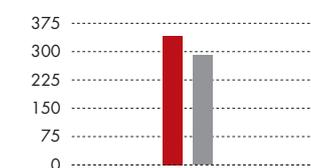
## Business volume

in CHF million



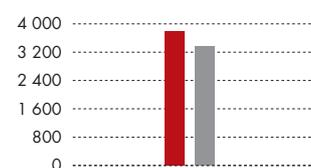
## Profit

in CHF million



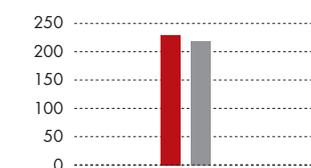
## Equity

in CHF million



## Solvency I

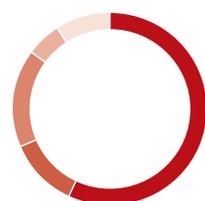
in %



■ 31.12.2012 ■ 31.12.2011

## Business volume

	Growth %	2012
in CHF million	currency adjusted	
■ Switzerland	-3.2	3 978.4
■ Germany	3.7	810.4
■ Italy	-2.9	1 161.8
■ Spain	-3.9	401.8
■ Other insurance units	3.9	626.1
<b>Total</b>	<b>-1.8</b>	<b>6 978.5</b>



## Important dates

19 April 2013	Ordinary Shareholders' Meeting in St Gallen
2 September 2013	Publication of half-year financial result for 2013
10 March 2014	Publication of financial result for 2013