Media release

St. Gallen, 10 March 2014

Helvetia increases premium volume and profit

In the 2013 financial year the Helvetia Group increased its profit by 9.2% to CHF 363.8 million. Business volume rose by 6.3% (in original currency) to CHF 7,476.8 million. Helvetia remains well capitalised with equity of CHF 4,131 million and Solvency I of 218%. A 2.9% higher dividend of CHF 17.50 per share will be proposed to the Shareholders' Meeting.

Key figures for the 2013 financial year at a glance:

Earnings after tax:	**CHF**	**363.8 million**	2012: CHF 333.1 million; +9.2%[1]
Business volume:	**CHF**	**7,476.8 million**	2012: CHF 6,978.5 million; +6.3% in original currency
Solvency I:		**218%**	2012: 227%[1]
Combined ratio (net):		**93.6%**	2012: 93.7%[2]
Equity:	**CHF**	**4,131 million**	2012: CHF 4 050 million[1]
Proposed dividend:	**CHF**	**17.50 per share**	2012: CHF 17.00 per share

Other key figures and comments are provided in the notes.

The Helvetia Group was once again able to increase its business volume by 6.3% (in original currency, in CHF: 7.1%) in the 2013 financial year. This was primarily driven by the Swiss home market, which improved by 9.9% over the previous year. Germany, Austria and France also recorded positive growth rates, although the growth in France was acquisition-driven. The annual earnings of CHF 363.8 million is 9.2% above the previous year (2012: CHF 333.1 million), a significant improvement.

Well-diversified profitability

Both the segments – life and non-life – rose strongly and made important contributions to the overall result with CHF 152.9 million and CHF 191.7 million respectively. Profitability is supported by a broad geographical base: besides the robust Swiss home market, profit growth in the foreign markets was also impressive. The earnings contribution from abroad rose overall, despite continued challenging conditions in some southern European markets, such as Italy and

[1] The data relating to the previous year was adjusted following changes to the accounting policies.
[2] The previous year's combined ratio restated due to the revised IAS 19

Spain. In the non-life business, the combined ratio fell to 93.6%[2], thanks primarily to lower claims ratios.
All country markets achieved a combined ratio of fewer than 100%, even though Helvetia had to pay out a number of claims for losses from severe weather events. This success is due to solid portfolio quality, a strong focus on a disciplined underwriting strategy and tailored reinsurance structures. In the life business, the new business margin was at a pleasing 1.6% and therefore above the previous year (0.9%). The rise is predominantly due to the increase in interest rates for new investments. However, the persistently low interest rate environment remains a challenge.

Pleasing development of the premium volume
Overall, the development of the Helvetia Group's business activities was pleasing. In the life area, business volume rose by 8.2% in original currency (in CHF: 8.7%) to CHF 4,731.1 million (previous year: CHF 4,351.2 million). Almost all country markets were able to post considerable improvements in certain areas. The increase in volume was driven by the Swiss home market, which continued to build on its strong market position with growth of 12.3%. The German and Austrian markets also posted dynamic growth with significant increases of 16.3% and 11.9% respectively (in CHF: 18.7 and 14.2%). Spain also recorded growth of 1.6% (in CHF: 3.7%), despite the continued difficult economic environment. Only Italy's volume remained below the previous year's level, which is due to the deliberate adjustment of the sales agreement with Banco di Desio. On the product side, key drivers were Group Life business, as well as unit- and index-linked life insurance products in the Individual Life business. Helvetia is targeting growth in line with its corporate strategy for these capital-efficient, modern products. Their proportion on the overall premium volume of Individual Life rose to 28% (2012: 21%).

The Non-Life business recorded a premium volume of CHF 2,550.9 million (previous year: CHF 2,412.4 million). The growth rate compared to the previous year of 4.3% in original currency (in CHF: 5.7%) was also extremely positive. The Gan Eurocourtage transport portfolio, which Helvetia acquired in France in 2012, provided important stimulus for growth. The markets in Switzerland and Austria were able to stay on their growth path in comparison to the previous year. The volumes in Italy and Spain continued to decline due to the ongoing difficult business situation, although the decline has slowed (from 4.1% the previous year to 2.4% and from 4.8% to 2.5% respectively, always in original currency). Portfolio optimisation in Germany and Italy also had the expected impact on premium development.

Extremely good investment results and continued strong capitalisation
With earnings of CHF 1,212.3 million, financial assets and investment properties once again made an important contribution to the overall result. Current income of CHF 985.7 million exceeded the result posted the previous year by CHF 25.8 million. The rise is due to the increase in the investment volume to CHF 37.4 billion. Despite persistently low interest rates, the direct yield only fell by 0.1 percentage points to 2.7%. This moderate decline reflects the successful implementation of the policy to gradually reduce the duration gap between interest-bearing assets and liabilities from the life insurance business over the past few years.

This impressive business development allowed Helvetia to continue to enhance its robust capital position. This is reflected in the continued outstanding Solvency I of 218% and a ratio between 150 and 200% pursuant to the Swiss Solvency Test for the first half of 2013. Equity rose by 2.0% to CHF 4,131.2 million compared to the previous year. The increased profitability also led to a rise in the equity ratio from 9.1 to 9.3%. The outstanding capitalisation and the good earnings position induced Standard & Poor's to upgrade Helvetia's rating from „A-" to „A" in

May 2013. The attractive dividend policy will remain in place: a 2.9% higher dividend of CHF 17.50 per share will be proposed to the Shareholders' Meeting.

Stefan Loacker, CEO of Helvetia Group, is delighted with the 2013 financial year: „The impressive annual result underlines the successful development of the Helvetia Group. The broad-based growth and the increase in profit show that we are on the right path with our Helvetia 2015+ strategy."

Notes

- A media conference in German will take place today at 09:00. This will be followed by an analysts' conference and a conference call in English at 11:30.
- The analysts' conference can be followed on the internet at www.helvetia.com/en. A web replay of the analysts' conference will be available on 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/infokit-en 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 7.5 billion, Helvetia posted a net profit of CHF 363.8 million in the 2013 financial year. The Helvetia Holding registered share is traded on the SIX Swiss Exchange under the symbol HELN.

Cautionary note regarding forward-looking statements

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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 2013 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.

Overview of the key figures

Business volume

In CHF million	2013	2012	Delta in CHF in %	Delta in OC[1] in %	Key driver
Group[2]	7,476.8	6,978.5	+7.1	+6.3	– Swiss home market as growth driver – Positive growth contributions from DE, AT and FR (growth acquisition-driven in FR)
Business activities					
Life business volume	4,731.1	4,351.2	+8.7	+8.2	**Group Life: +13.3% (OC)** – Swiss market as main growth driver (accounts for 97% of the Group Life business) **Individual Life: +0.5% (OC)** – Unit- and index-linked products as main growth driver – Focus on capital-efficient and modern insurance solutions (unit- and index-linked), their proportion of total premium volume of Individual Life increased to a pleasing 28% (previous year: 21%) – Traditional mixed life insurances decreasing in line with the corporate strategy **Countries:** – CH: +12.3% o Group Life: +16.3% ▪ Pleasing growth in regular premiums (+5.1%) ▪ Growth in single premiums of 26.5% shows successful acquisition of new customers (but: development of single premiums naturally very volatile) o Individual Life: +0.2% ▪ Regular premiums: +3.5% thanks to fully consolidated portfolio of SEV Versicherungen ▪ Focus on sale of capital-efficient, non-traditional products (unit- and index-linked) ▪ Positive development of unit- and index-linked products, share on total premium volume of Individual Life business at 35%

[1] Original currency

[2] Including deposits from investment contracts

In CHF million	2013	2012	Delta in CHF in %	Delta in OC[1] in %	Key driver
					– DE: +16.3% (OC) o In particular, successful marketing of unit-linked products o Growth in traditional products – AT: +11.9% (OC) o Growth in traditional life insurance and unit-linked products – ES: +1.6% (OC) o Driver: unit-linked products and burial insurance – IT: -13.6% (OC) o Amended sales agreement with Banco di Desio (focus on profitability rather than volume) o Pleasing growth in Helvetia Vita (+23.9% (OC)) cannot offset the above decline
Gross premiums – Non-Life	2,550.9	2,412.4	+5.7	+4.3	**Insurance sectors:** – Transport: +77.8% (OC) due to the acquisition of Groupama's transport portfolio – Other sectors posted slight growth o Exception: decline in motor vehicle as expected due to portfolio restructuring measures in DE and IT **Countries:** – FR: +126.5% (OC) o Acquisition-driven growth due to the purchase of Groupama's transport portfolio – CH: +0.2% o Growth in ongoing business (following sale of Alba/Phenix health and accident) at 0.6% o Growth driver: motor vehicle, liability – AT: +1.6% (OC) o All sectors recorded positive growth despite earnings-focussed subscription policy – IT: -2.4% (OC) o Sharp decline in the largest sector, motor vehicle, in line with the market

In CHF million	2013	2012	Delta in CHF in %	Delta in OC[1] in %	Key driver
					o Growth in other sectors thanks to premium contributions from Chiara Assicurazioni, but could not offset the fall in the motor vehicle sector. – ES: -2.5% (OC) o Decline in all sectors due to ongoing difficult economic situation – DE: -4.6% (OC) o Deliberate decline in premiums due to termination of major business relationships with high claims ratios in the motor vehicle and residential building business in order to improve profit-ability
Assumed reinsurance	194.8	214.9	-9.4	-9.4	– Non-renewal of major businesses relationships

Result for the period

In CHF million	2013	2012	Delta in CHF in %	Delta in OC[1] in %	Comments
Group earnings after tax	363.8	333.1	+9.2	+8.6	
Life	152.9	138.2	+10.7	+10.1	– Solid technical results – Higher investment earnings – Higher allocation to the policyholder bonus fund – Strengthening of reserves in CH and DE due to persistently low interest rate environment (even if to a lower extent than in the previous year)
Non-Life	191.7	172.9	+10.9	+10.2	– Good technical results due to disciplined underwriting strategy and portfolio restructuring measures (DE, IT) to improve claims ratios – Improved reinsurance structure – Higher investment earnings
Other activities	19.2	22.0	-13.1	-13.1	– Decrease due to group internal reinsurance which was more strongly impacted by severe weather events

In CHF million	2013	2012	Delta in CHF in %	Delta in OC[1] in %	Comments
					(predominantly Germany)
Current income from the Group's investments	985.7	959.9	+2.7	n/a	– Increase due to higher investment volume
Income from the Group's financial investments and investment property	1,212.3	1,177.8	+2.9	n/a	– Realised book gains predominantly from the equity portfolio and bonds

Profitability figures

New business margin	2013	2012	Delta	Comments
Group	1.6%	0.9%	+0.7% points	– Rise predominantly due to increase in interest rates for new investments
Combined ratio	**93.6%**	**93.7%**	**-0.1% points**	
Expense ratio	30.2%	28.9%	+1.3% points	– A higher expense ratio (with simultaneous lower claims ratio) has been deliberately accepted to manage the combined ratio. The reasons: o Reduction in premium volumes as a result of portfolio optimisations o Higher costs in the newly acquired businesses (in particular, Chiara Assicurazioni in Italy has a higher expense ratio due to the specialisation on the sale of insurance solutions via the bank sales channel, but extremely low claims ratio in return)
Claims ratio	63.4%	64.8%	-1.4% points	– Improvement in the claims ratio despite additional claims from severe weather events in some country markets o Launched efficiency measures and portfolio restructuring are having an effect o Improved reinsurance structure

Balance sheet figures

In CHF M	31/12/2013	31/12/2012	Comments
Equity	4,131.2	4,050.2	– Increase in equity of 2% due to improved earnings (+9.2%) as well as simultaneous distribution of a dividend and decrease in unrealised gains and losses (due to rise in interest rates)

Ratios

	2013	2012	Comments
Return on equity	9.3%	9.1%	– Rise due to improved earnings and a slight decrease of the unrealised gains/earnings recorded in equity
Direct yield	2.7%	2.8%	– Moderate decline of 0.1% points despite persistently low interest rate environment
Investment performance	1.9%	5.5%	– Reduction of the unrealised gains and losses recorded in equity predominantly due to increasing interest rates – Deliberately long maturity of securities further strengthens this effect – From an asset/liability perspective price fluctuations and the resulting unrealised gains/losses during the term tend to play a minor role as the interest-bearing securities are largely held until final maturity.
Solvency I	218%	227%	