

## **Helvetia Group analysts' conference**

### **Full-year results**

**Monday, 14 March 2016**

#### **Financial statements 2015**

(the spoken word takes precedence)

#### **Stefan Loacker, CEO of Helvetia Group**

##### **(Slide 0) Full-year results 2015**

Ladies and gentlemen, I am pleased to present to you the 2015 financial statements and would like to welcome you to our presentation today. We are looking back on an intense and successful financial year, which was largely shaped by the integration of Nationale Suisse and Basler Austria. As part of this presentation, we would like to provide you with the details of the progress made with the integration as well as the key aspects of our financial statements.

##### **(Slide 3) Agenda**

Following my introduction, our CFO Paul Norton will explain the key financial figures to you, report briefly on the highlights of our business performance in our Swiss home market and then present our investment results. I will then provide you with an overview of the helvetia 20.20 strategy, which I would like to preface by saying: Our new strategy is allowing us to evolve and we are focussing on areas in which we want to make greater progress towards a successful future. Following the presentation, Paul Norton and I, as well as our colleagues Philipp Gmür, CEO Switzerland, and Ralph Honegger, Head of Investments, who are not presenting today for time reasons, will be pleased to answer your questions, as always.

##### **(Slide 4) Highlights of the full-year results 2015 (1/2)**

Let us begin by discussing operating profit, which achieved a pleasing increase of 4 percent to CHF 439 million.

The improvement was mainly driven by the non-life business, which grew by 22 percent from the previous year to CHF 332 million. This marked increase was supported by the acquisition and is also the result of positive technical performance. In addition, the cost ratio also improved due to notable synergies. The life insurance result also increased by 16 percent to

CHF 176 million. Only the result of Other activities decreased significantly from the previous year, mainly due to increased expenses in Group reinsurance and currency losses.

The integration of the two acquisitions Nationale Suisse and Basler Austria is progressing well overall and we generated synergies of CHF 45 million in the 2015 financial year. This is more than we had originally planned for the first year after the acquisitions.

The positive effects of the acquisitions also left their mark on premium income, with the overall business volume in original currency growing by around 11 percent. The greatest contribution in this area came from the non-life business, which rose by 35 percent to nearly CHF 3.8 billion. In the life business, modern life insurance products generated a good performance with growth of 5 percent; at the same time, however, we curtailed the sales of traditional life insurance products. As the modern products were not able to compensate for the decline, the overall volume in the life business decreased by nearly 4 percent.

We are able to maintain our attractive dividend policy thanks to the solid business performance. The Board of Directors will propose to the Shareholders' Meeting to increase the dividend to CHF 19.00 per share.

#### **(Slide 5) Highlights of the full-year results 2015 (2/2)**

I would now like to update you on the status of the integration work for the two acquired companies Nationale Suisse and Basler Austria. We made immense progress in financial year 2015 and reached all important milestones – including the full takeover, mergers of the legal units in Switzerland, Austria and Spain and the launch of joint sales with an integrated product range under a single brand. The legal mergers in the remaining European units are expected to be completed almost all by the end of 2016. As a result, we can report that the integrations have largely been implemented.

#### **(Slide 6) Status of synergy realisation**

This brings us to an update on the status of the realisation of synergies.

As of year-end 2015, Helvetia had 391 full-time employees fewer than it did as of 30 June 2014 – the pro-forma comparative figure prior to the acquisitions. Of these 391 employees, 330 left the company due to the two acquisitions and can therefore be counted as staff synergies. The staff reduction corresponds to around CHF 27 million in personnel cost savings. As at the end of January 2016, an additional 70 employees left the company in Switzerland, but they have not yet been included in the savings mentioned above. At the same time, however, investments in our business that were made to support our strategy, in

particular in IT, and to expand functions that Nationale Suisse had outsourced, have had a slight counter-effect.

We also generated non-personnel cost savings of CHF 18 million in 2015. In particular, synergies were achieved here through a reduction in redundancies in the areas of IT, Logistics, Marketing and Corporate.

Overall, we realised synergies of CHF 45 million – meaning that we made much greater progress in realising those synergies than originally planned.

With that, I would like to turn over the presentation to our CFO, Paul Norton, who will now present to you the most important information about the key financial figures. >>>>