

**Helvetia Group**  
Interim results 2012

helvetia

# Cautionary statement regarding forward-looking statements



This document is prepared by Helvetia Group and may not be copied, altered, offered, sold or otherwise distributed to anybody by the 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, this document is selective in nature and is intended to provide an introduction to and an overview of the business of Helvetia Group. 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 is liable in any way for any loss howsoever arising directly or indirectly from the use of this information.

The facts and information contained in this document are as up to date as is reasonably possible and 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. This document may contain projections or other forward-looking statements related to Helvetia Group which, by their very nature, involve inherent risks and uncertainties, both general and specific, and there is a risk that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These include (1) changes in general economic conditions, in particular in the markets in which we operate; (2) the performance of financial markets; (3) changes in interest rates; (4) changes in currency exchange rates; (5) changes in laws and regulations, including accounting policies or practices; (6) risks associated with implementing our business strategies; (7) the frequency, magnitude and general development of insured events; (8) mortality and morbidity rates; (9) policy renewal and lapse rates. We caution you that the foregoing list of important factors is not exhaustive; when evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties. All forward-looking statements are based on information available to Helvetia Group on the date of its publication and Helvetia Group assumes no obligation to update such statements unless otherwise required by applicable law.

The purpose of this document is to inform Helvetia Group's shareholders and the public of the business activities of Helvetia Group in the first half of 2012. 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 make one or more capital increases in the future, investors should make their decision to buy or subscribe to new shares or other securities solely on the basis of the relevant offering circular.

This document is also available in German. The German version is binding.

- Highlights Stefan Loacker
- Financial figures Paul Norton
- Asset management Ralph-Thomas Honegger
- Swiss business Philipp Gmür
  
- Questions and answers

## Solid results in a challenging environment

### Robust result

- Solid performance in a difficult economic environment

- ▶ Profit CHF 162.7 million (-5.2% )
- ▶ RoE 8.9% (annualised)

### High portfolio quality

- Sound results in life and non-life business

- ▶ 93.1% net combined ratio
- ▶ Stable interest margin

### Solid investment portfolio

- Stable investment results
- Strong balance sheet

- ▶ Direct yield: 2.9% (annualised)
- ▶ Performance: 2.3%
- ▶ Equity CHF 3.8 billion (+2.3% )
- ▶ 224% Solvency I / solid SST coverage

### Selective growth

- Broadly based in non-life, profit-oriented in life
- Promising acquisitions

- ▶ Growth -0.7% (-2.4% in CHF)
- ▶ Non-life: +2.1% / Life: -2.0%
- ▶ No. 2 in the French transport market by portfolio transfer of EUR 150 million
- ▶ Takeover of the cooperative SEV insurance (SEVV) by Helvetia Switzerland

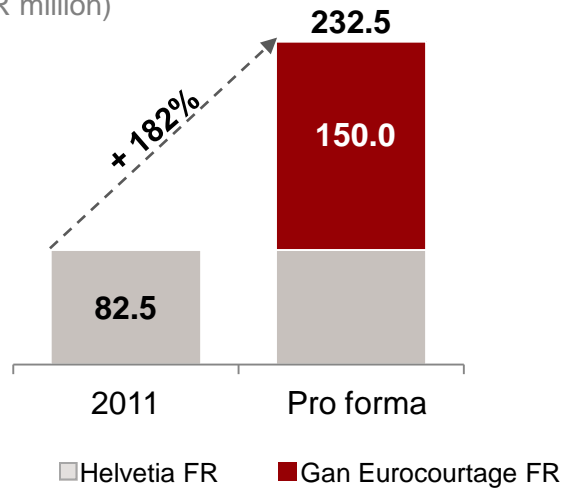
# Strategy implementation: M&A France (1)

## Facts

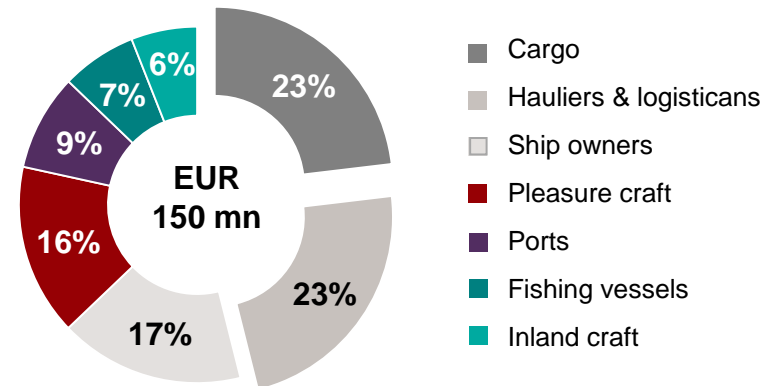
- Tripling of premium volume
- Marked expansion of cargo and shipping insurance business
- Repositioning in the complementary hull business

## Gross premiums volume France

(in EUR million)



## Business-split of acquired volume

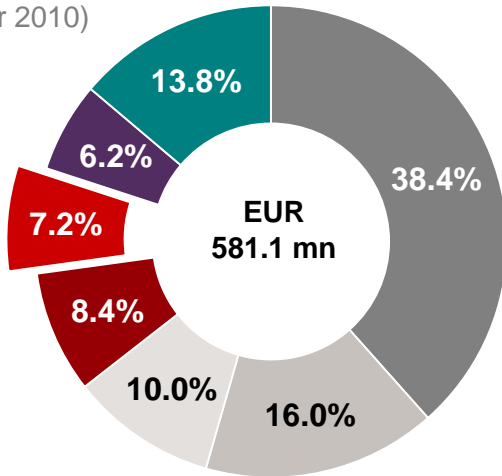


# Strategy implementation: M&A France (2)



## Market share cargo\* before transaction

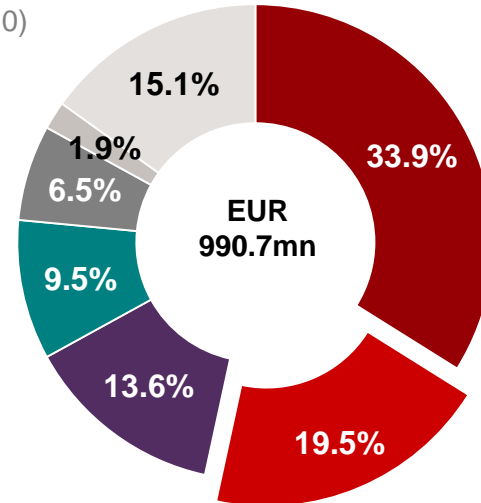
(Base: year 2010)



- 1. Axa
- 2. Groupama-Gan
- 3. Allianz
- 4. Covea
- 5. Helvetia
- 6. Generali
- 7. Other

## Market share cargo + hull\*\* after transaction

(Base: year 2010)



- 1. Axa
- 2. Helvetia
- 3. Allianz
- 4. Generali
- 5. Covea
- 6. Tokio Marine
- 7. Other

## Considerably strengthening of the market position

- Number two in the French transport insurance market (previously number five)
- Purchase price: EUR 38.5 million, without equity
- Profit-enhancing from year 1 onwards
- Completion of transaction in 2nd HY 2012 (after regulatory approval)

Source: FFSA

\* Cargo includes "All cargo" and "Road carrier's liability"

\*\* Hull includes "Ocean hull" and "Pleasure craft"

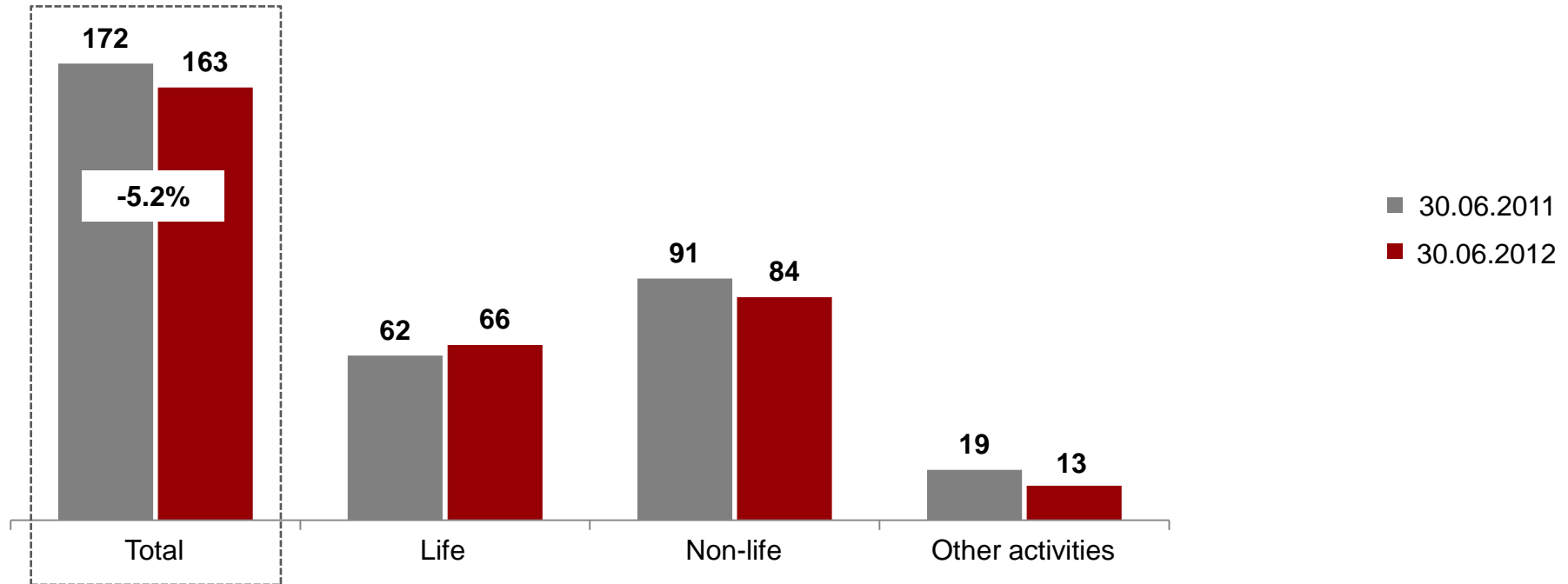
## Financial figures

Paul Norton, Group CFO

helvetia

# Result by business area

Consistently solid operating performance in a challenging environment  
(in CHF million)

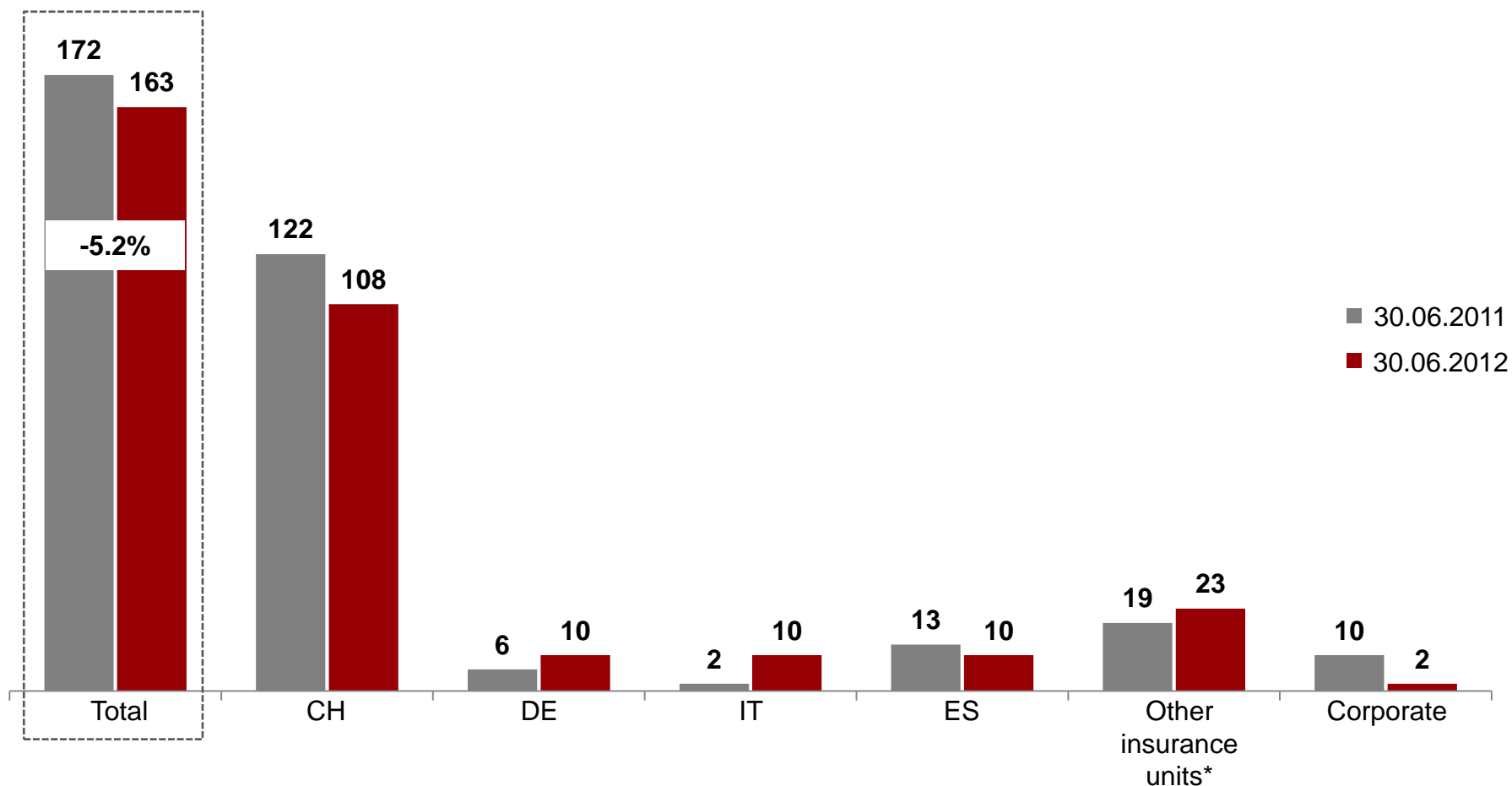


New reserving method in place for major claims incurred but not yet reported. The prior-year figures have been adjusted accordingly.



# Result by geography

Strong home market and increased contributions of the foreign markets  
(in CHF million)



\*The segment consists of the countries Austria and France as well as the reinsurance business.

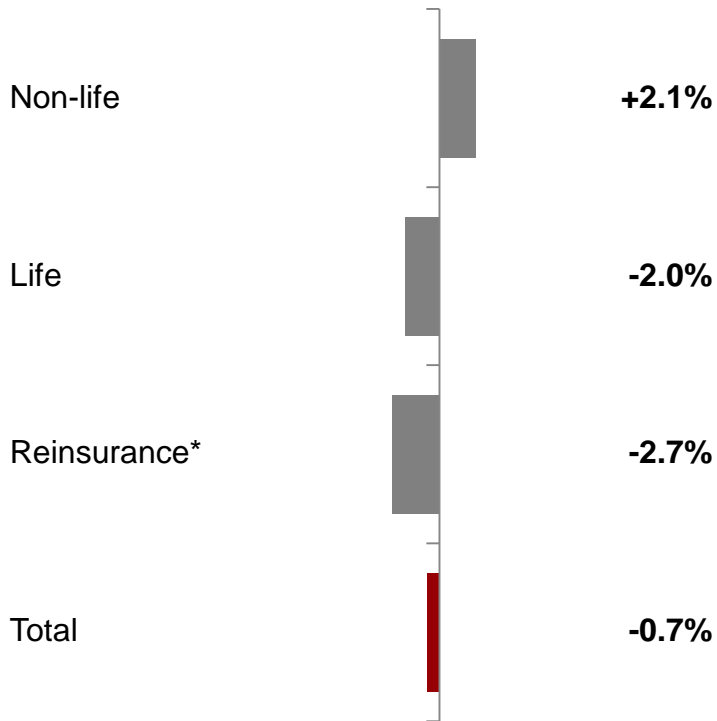
New reserving method in place for major claims incurred but not yet reported. The prior-year figures have been adjusted accordingly.

# Business volume in original currency: -0.7%



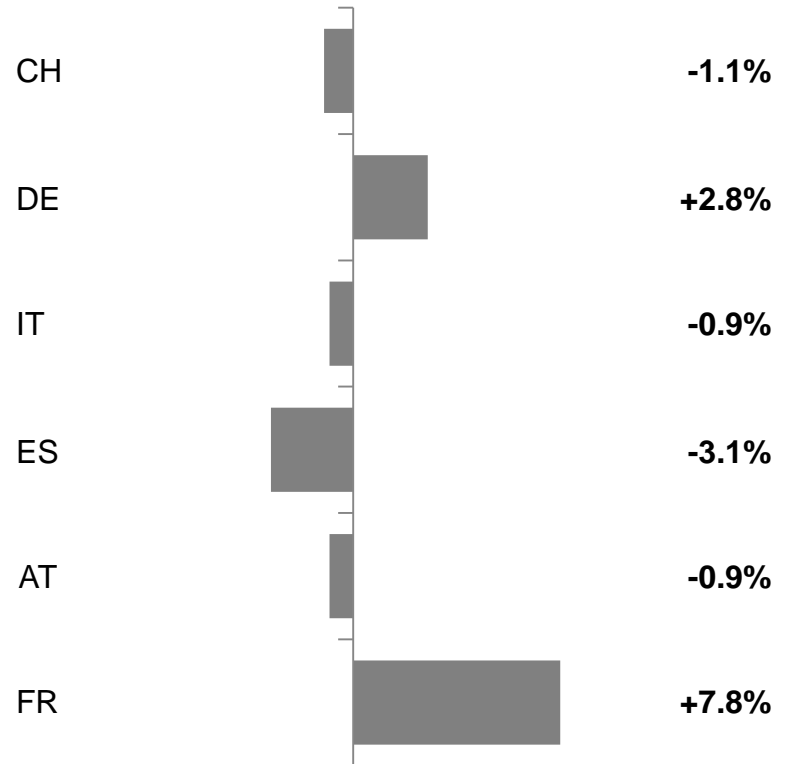
## By business area

CHF 4,528 million



## Direct business by country

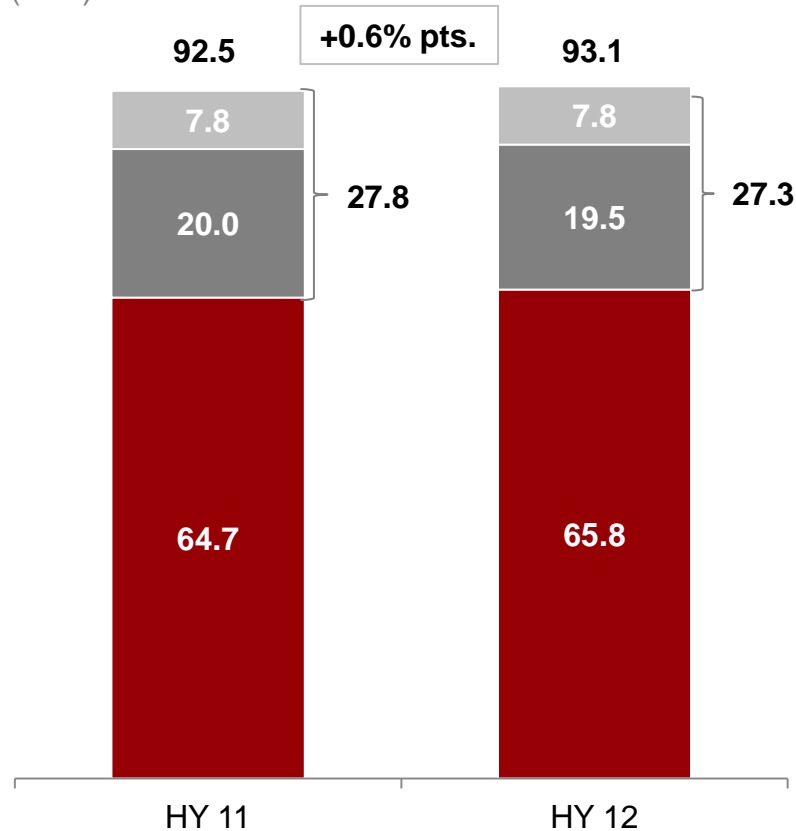
CHF 4,416 million



\* in CHF

## Solid technical performance

(in %)

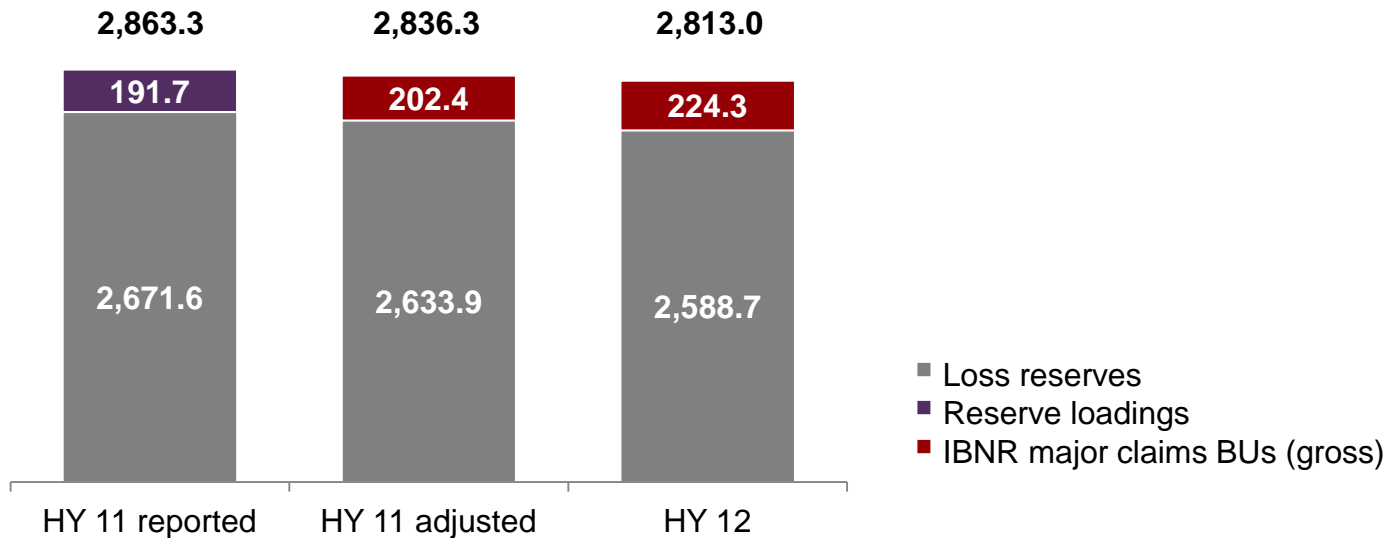


- Administration cost ratio
- Acquisition cost ratio
- Claims ratio

- Weather related claims (frost, storm, hail, earthquake) burden the net combined ratio with 2.1%-points (gross 2.0%-p) in 2012 while there were no such events in HY 2011
- For the full year we expect a claims burden of 0.5 to 1.0%- points due to severe weather in July
- Cost discipline and change in business mix lead to further reduction in acquisition costs
- Slightly higher cost ratio expected for second half 2012 due to accrual effects
- Successful turnaround at Helvetia Germany as well as further improvements in Italy, only Austria >100% CoR caused by severe weather

# Improved reserving method non-life

Adjustments are booked directly into equity, with no P&L effect\*  
(in CHF million)



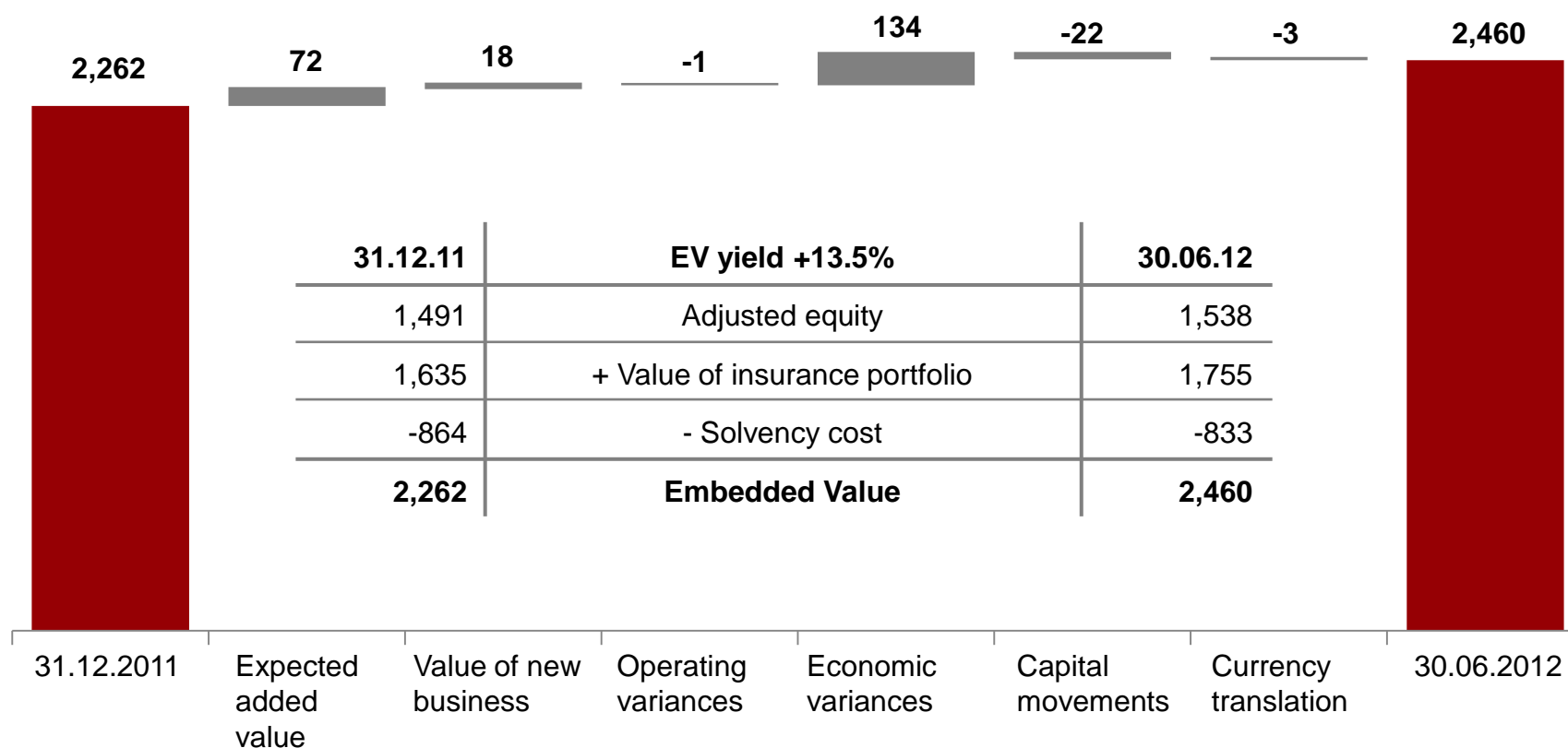
- New reserving method in place for major claims incurred but not reported
- Due to new method (IBNR) more reliable and more relevant reserving
- Country and line-of-business specific assumptions
- No material impact of the new method on previous annual and interim figures

\* IFRS requires "change in accounting policy"  
Details slide 40

# Traditional Embedded Value

## Stable development in spite of difficult economic environment

(in CHF million)



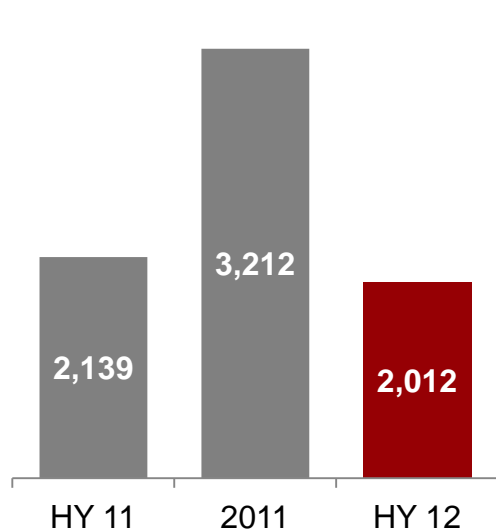
# Value of new business



## New money rate and risk discount rate influence margins

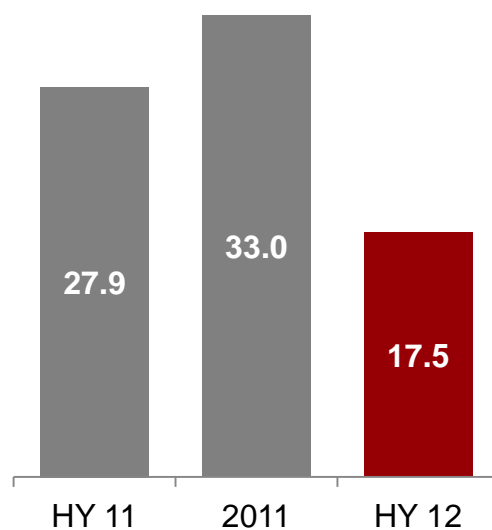
### New business volume

(in CHF million)



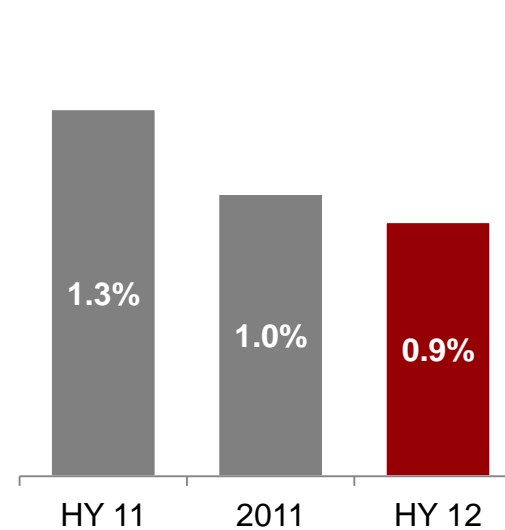
### Value of new business

(in CHF million)



### New business profitability

(in %)



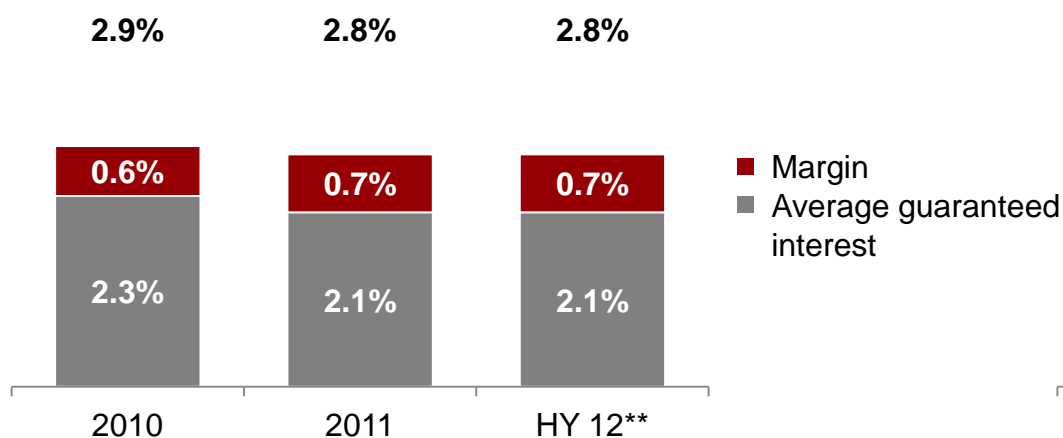
New business volume and profitability are based on the present value of new business premiums (PVNBP).

# Direct yield and guarantees in life business

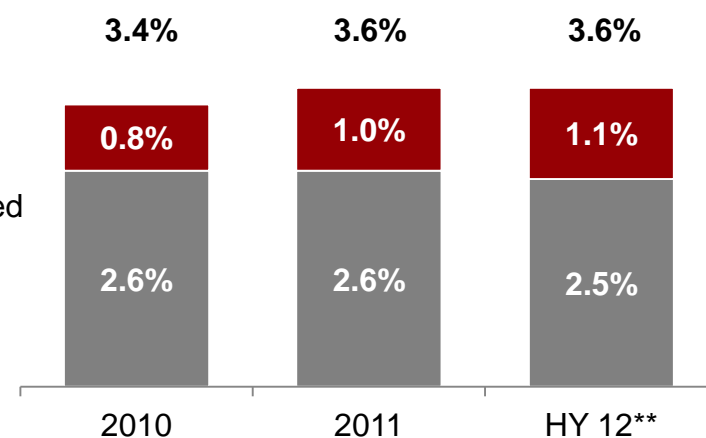


Stable gross margin\* for the benefit of the insured and shareholders

## Switzerland



## EU



Interim result 2012	CH	EU	Total
Direct yield (annualised)	2.8%	3.6%	<b>3.0%</b>
Average guaranteed interest	2.1%	2.5%	<b>2.1%</b>
Margin	0.7%	1.1%	<b>0.9%</b>

\* before Legal Quote / \*\* direct yield annualised

# Sovereigns under observation: default scenario

## Exposure to government bonds\*

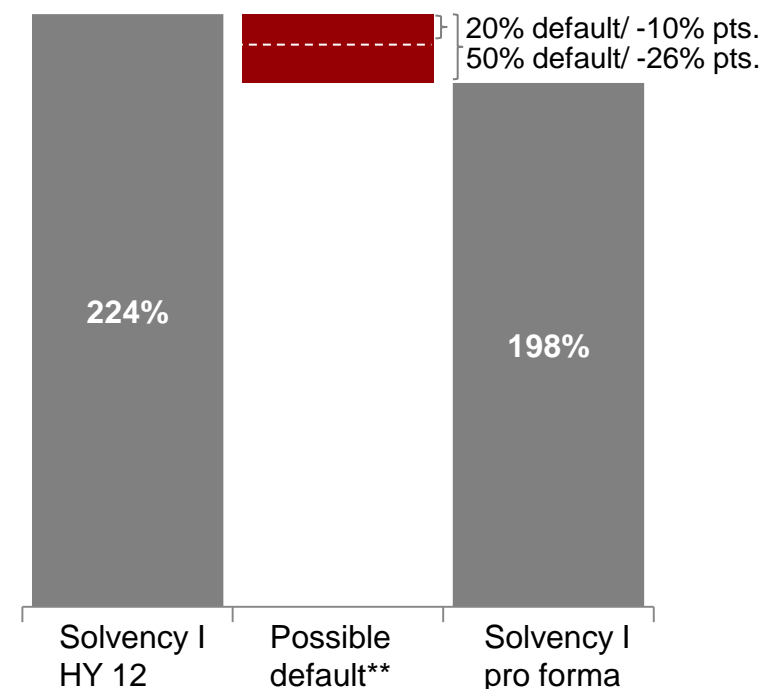
(gross / in CHF million)

	Non-life	Index-linked	Life other	Total
Italy	32.0	256.8	589.1	<b>877.9</b>
Spain	50.7	59.8	175.7	<b>286.2</b>
as % of investments				<b>3.3%</b>
other PIIGS	3.6	-	17.3	<b>20.9</b>
as % of investments				<b>0.1%</b>
<b>Total</b>	<b>86.3</b>	<b>316.6</b>	<b>782.1</b>	<b>1,185.0</b>
as % of investments				<b>3.4%</b>

## Solvency scenario

(net / in %)

- Helvetia's strong balance sheet can cope very well with the direct risks associated with the PIIGS default scenario:



\* Includes direct exposure to bonds as well as bond exposure of significant funds.

\*\*Scenario based on 20% / 50% impairment of PIIGS government bond exposures, after policyholder participation and tax.



## Asset management

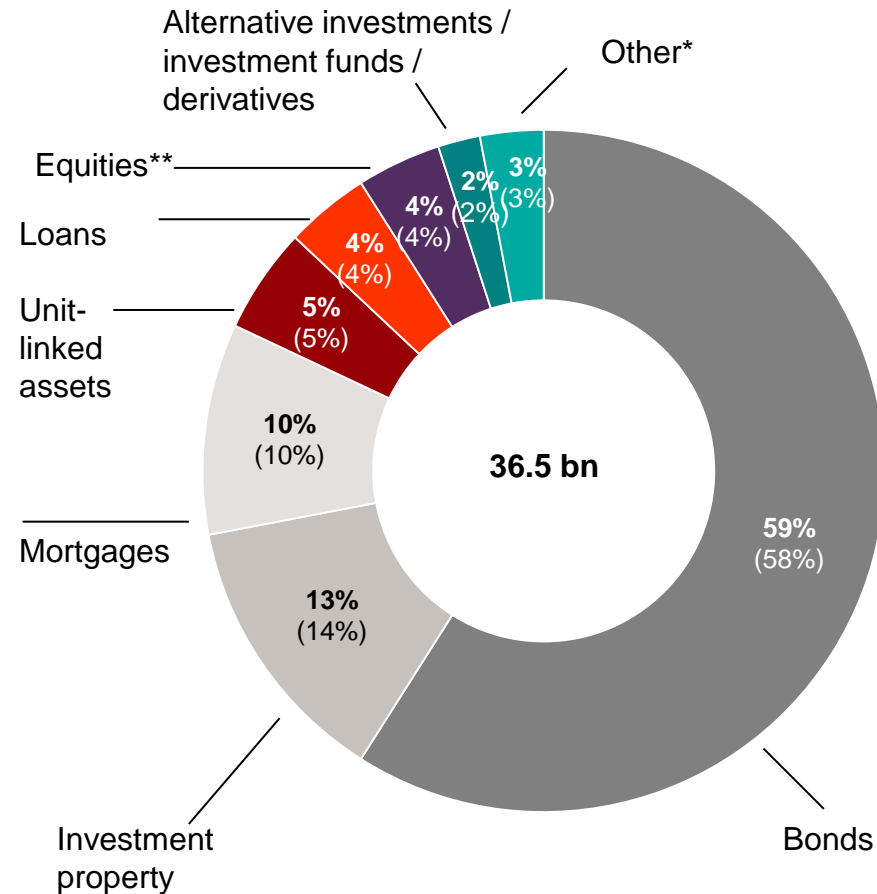
Ralph-Thomas Honegger, Group CIO

helvetia

# Well-diversified investment portfolio

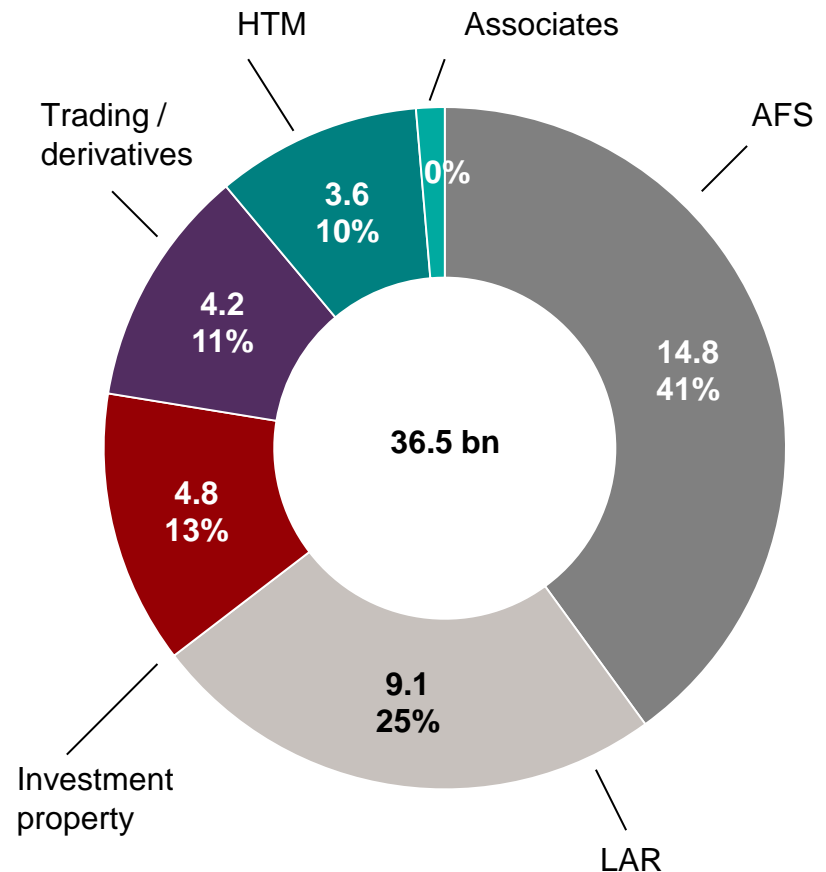
## By asset class

(Dec 11 in brackets)



## By IFRS category

(in CHF billion)

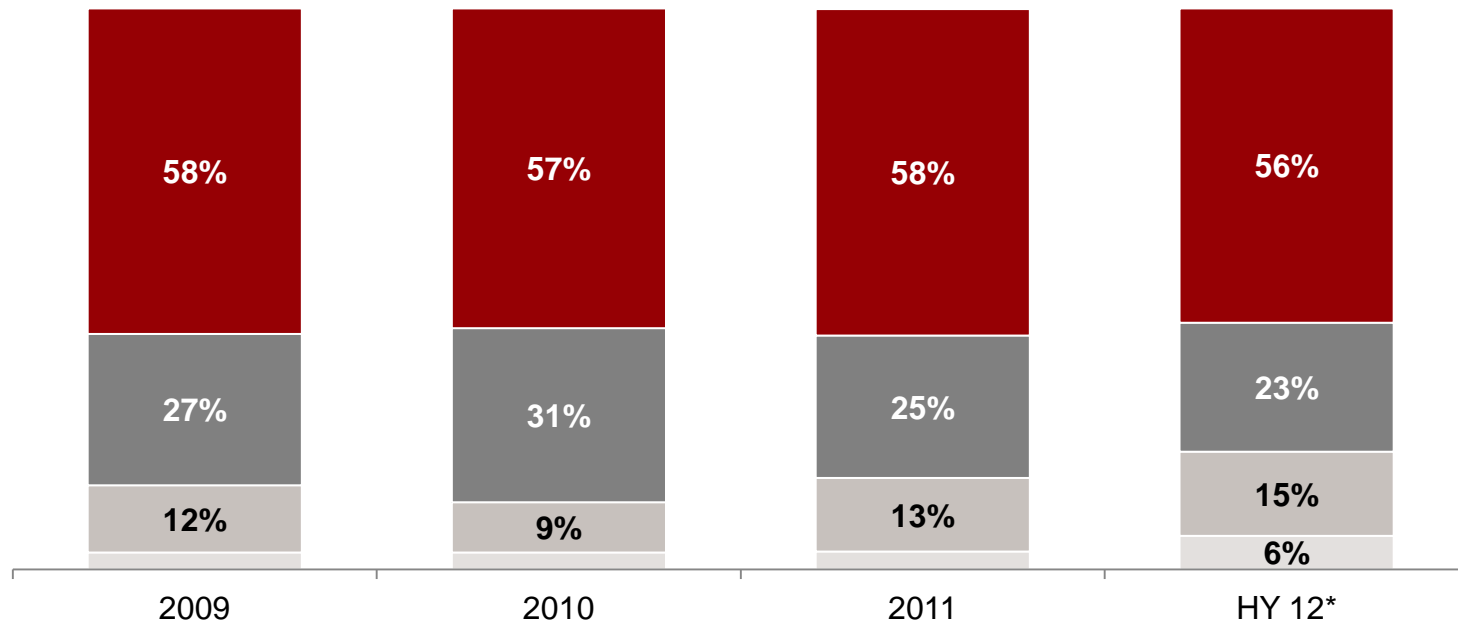


\* Money market instruments and investments in associates

\*\* Net equities exposure after hedging: 1.2%

# Bond credit ratings (1/2)

Ratings remained on a high level

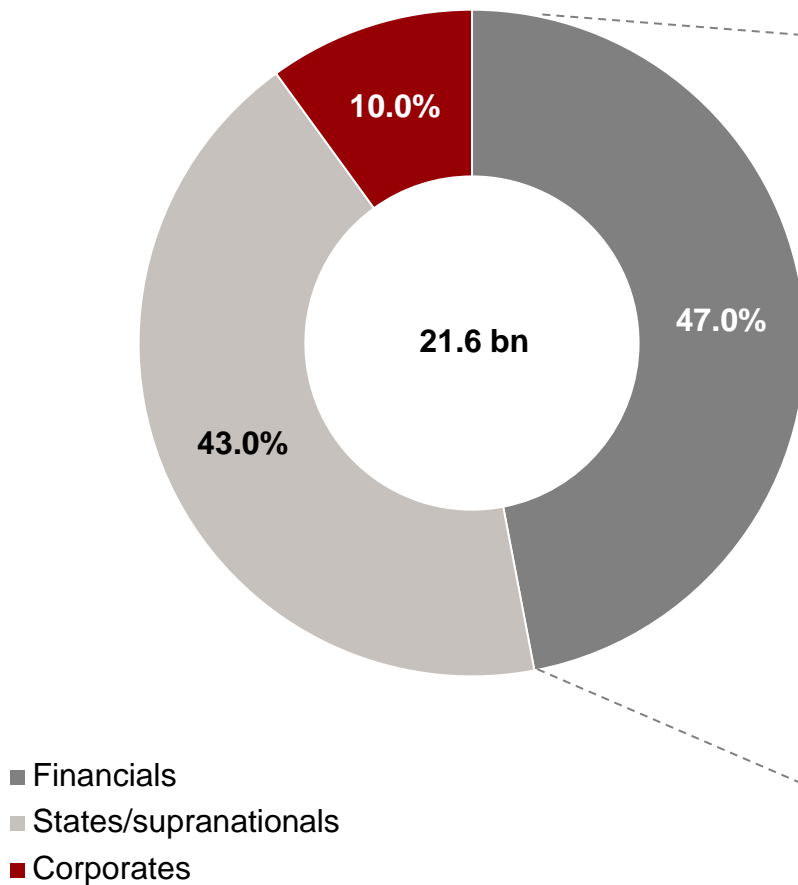


- AAA
- AA
- A
- < A and not rated

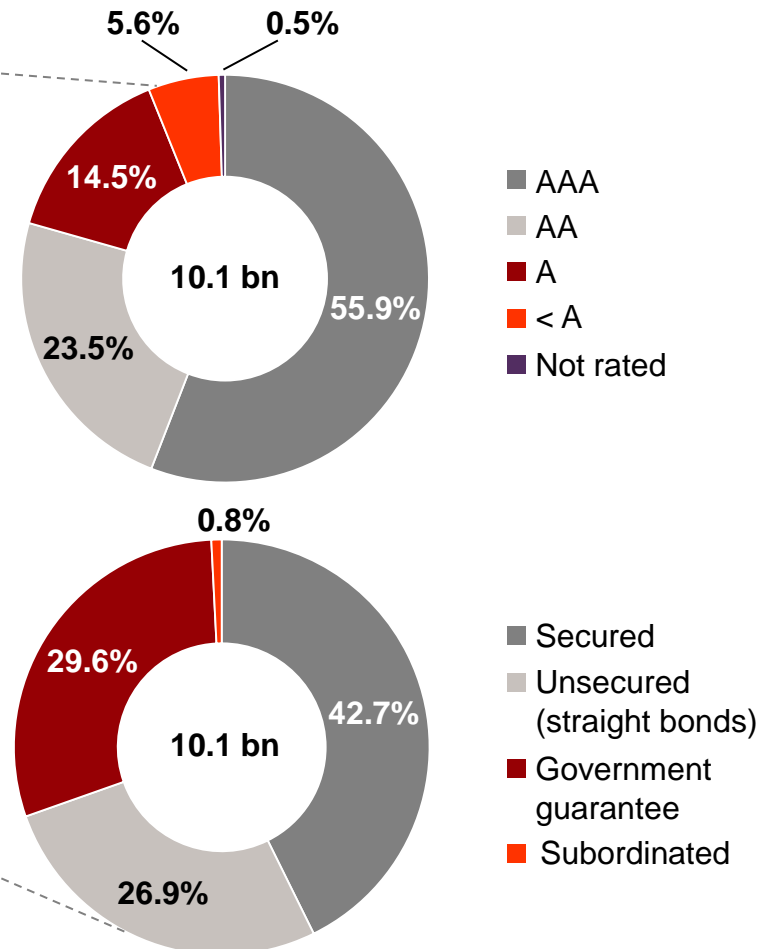
\* Ratings and portfolio as at 30.06.2012

# Bond credit ratings (2/2)

Sector allocation as at 30.06.2012



Risk profile of financials



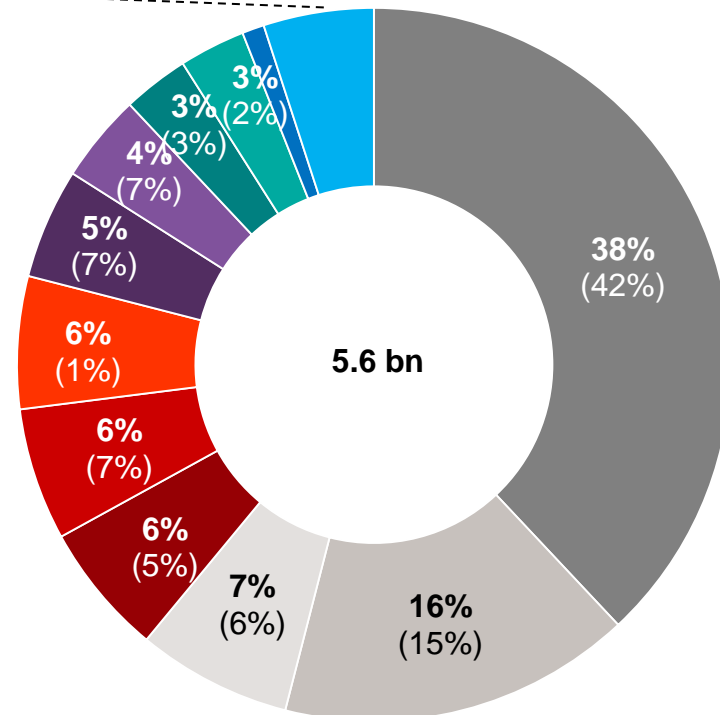
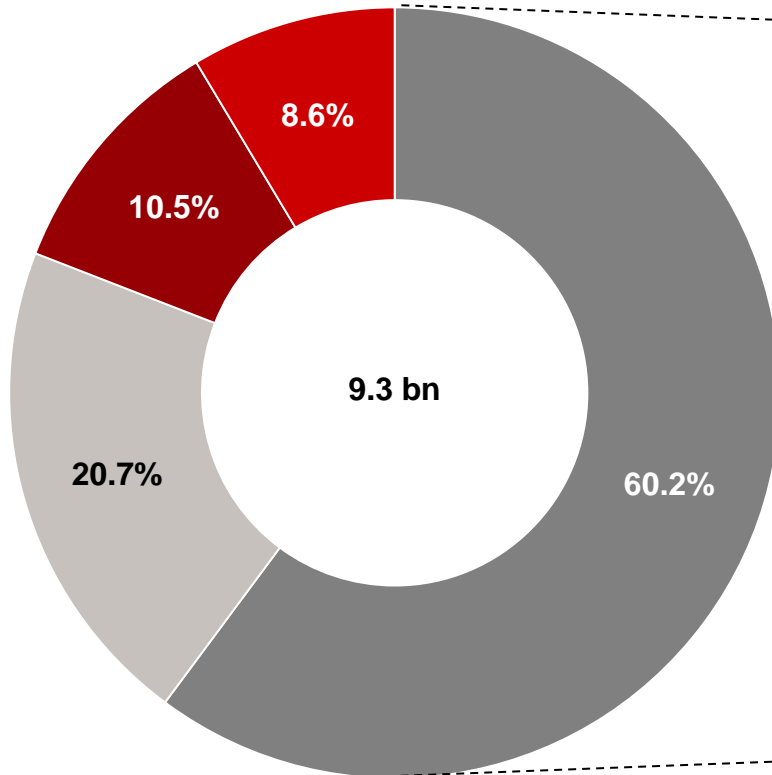
# Government and supranational bond exposure



Governments / supranationals

Government bonds by country

(Dec 11 in brackets)

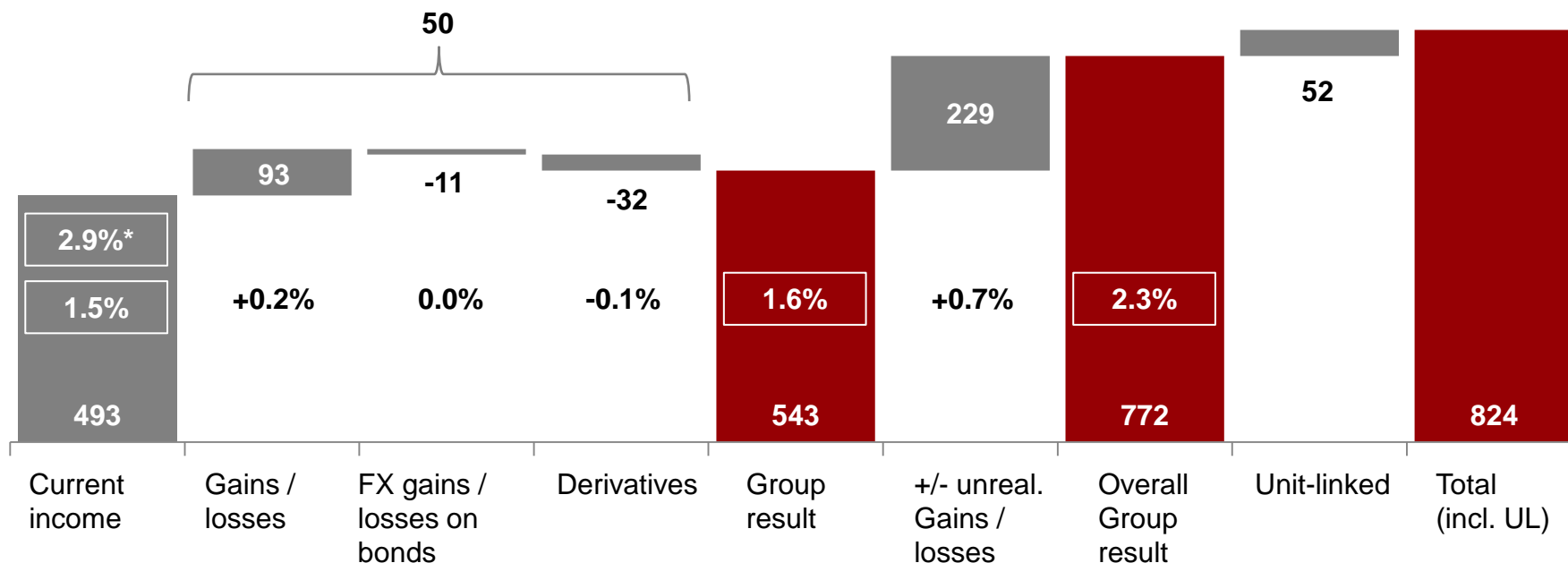


- Country
- Regional authorities excl. countries / incl. cities
- Near-government enterprises
- Supranational banks

- Switzerland (38%) (AAA)
- Italy (16%) (A)
- France (7%) (AAA)
- Austria (6%) (AAA)
- Germany (6%) (AAA)
- Luxemburg (6%) (AAA)
- Netherlands (5%) (AAA)
- Spain (4%) (BBB)
- Finland (3%) (AAA)
- Belgium (3%) (AA)
- Czech Republic (1%) (A)
- Other (5%), of which:
  - 0.01% Greece (CCC)
  - 0.28% Portugal (BB)
  - 0.09% Ireland (BBB)

# Investments - overall performance

(in CHF million)



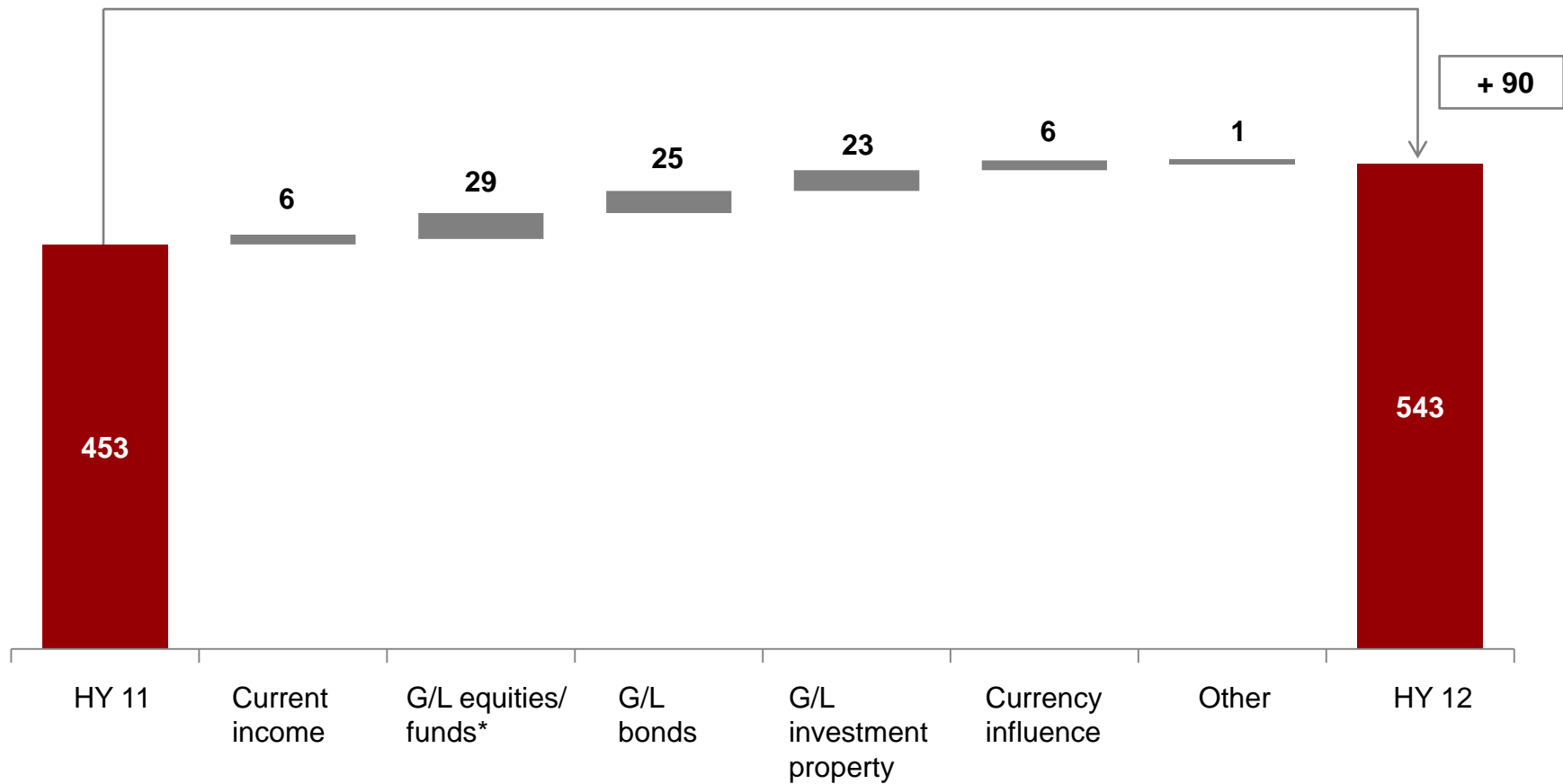
- Stable current investment income in spite of low interest rates (2.9% direct yield, annualised) => only 12 bp (annualised) lower than in the previous year; bond, real estate and mortgage yields decreased only slightly, dividend yield on equities increased
- The investment performance (2.3% not annualised) is clearly positive thanks to the contribution of equities (3.5% after hedging), bonds (2.6%) and real estate (2.4%) => taking into account the HTM/LAR classified assets at fair value, the performance rises further by 50 bp to 2.8%
- Strong increase of unrealised gains in equity due to the flight of investors to quality bonds

\* Half-year annualised

# Group investment result compared to HY 2011



(in CHF million)



\* Contains also alternative investments and equity derivatives

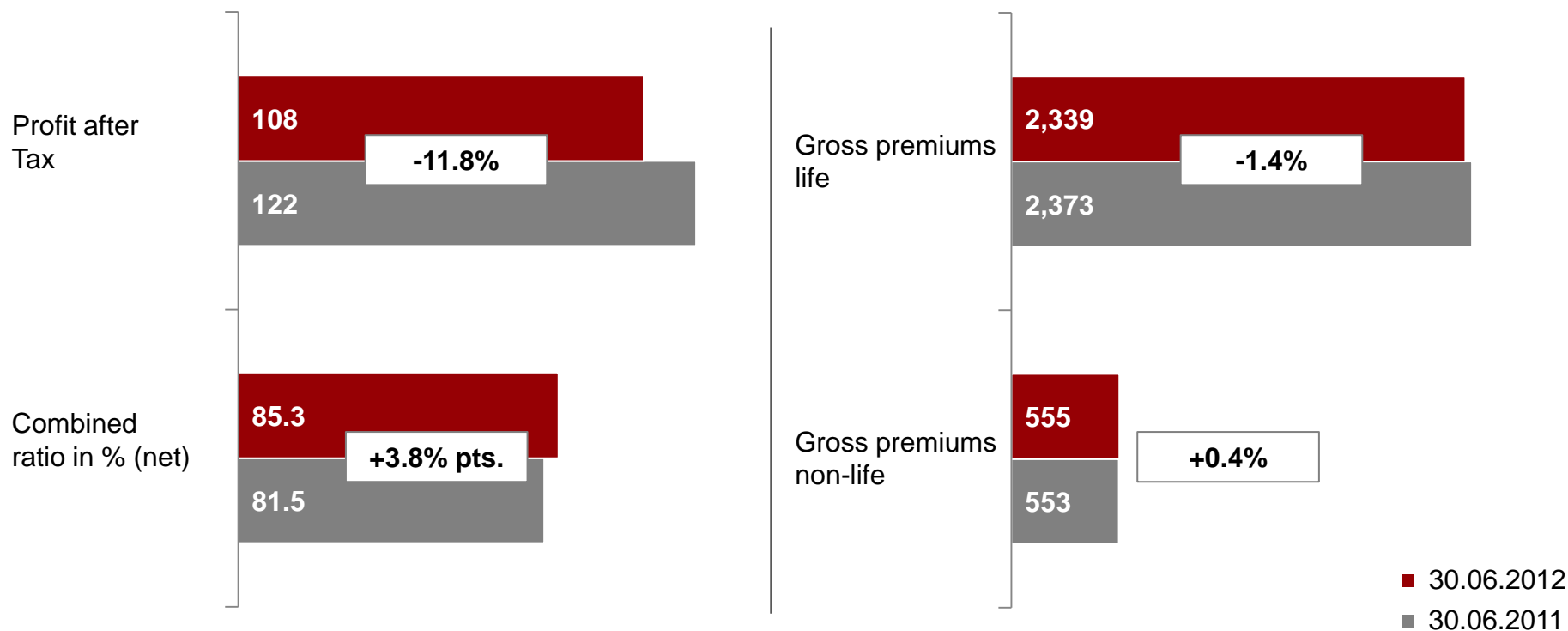
## Swiss business

Philipp Gmür, CEO Switzerland

helvetia



Total gross premiums: CHF 2,894 million (-1.1%)  
(in CHF million)



- Life: Scheduled reduction in single premiums in group life business compensated by individual life products
- Non-life: Premium growth despite the sale of the accident / health business  
Continuing good profitability with a combined ratio of 85.3%

# Life business Switzerland



(in CHF million)

	HY 12	HY 11	+/- in %
Total premiums direct life	<b>2,339</b>	<b>2,373</b>	<b>-1.4</b>
Total individual life	<b>502</b>	<b>341</b>	<b>+47.3</b>
Regular premiums	210	206	+1.7
- of which unit-linked (regular)	26	26	-1.2
Single premiums	292	135	+117.3
Total group life	<b>1,837</b>	<b>2,032</b>	<b>-9.6</b>
Regular premiums	1,061	1,022	+3.9
Single premiums	776	1,010	-23.2

- Individual life: Growth of regular premiums continued, tranche product «Helvetia Value Trend II» boosted single premiums
- Group life: Growth of regular premiums continued, decline of single premiums as planned
- Technical performance: Continuing good risk results
- Acquisition: Growth momentum and access to new customer due to take over of the insurance portfolio of SEVV

## Facts

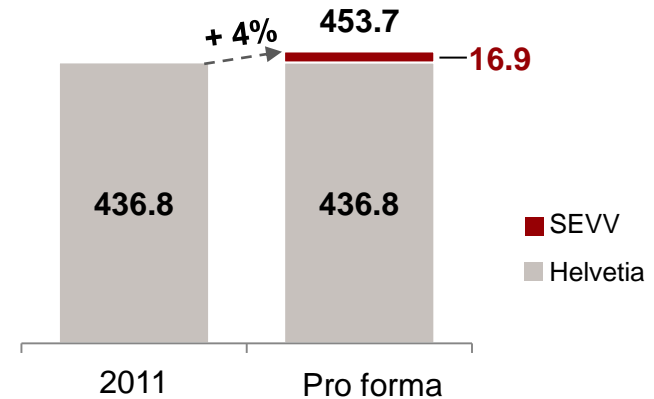
- Transfer of SEV cooperative insurance portfolio (SEVV) to Helvetia (CHF 20 mn in single life business) and take over of 10 employees
- Growth of around 4% of the regular premium volume in Switzerland
- Access to about 45,000 members of the SEV Swiss Railway and Transport Workers' Union for life and non-life products
- Completion of transaction on 1st November 2012 (after regulatory approval)

## Strategic Rationale

- Rare opportunity for consolidation in the profitable Swiss market
- Opening up new customer segments in life and non-life business
- Transfer of sales organisation and promising implementation of affinity group approach
- Realisation of synergies

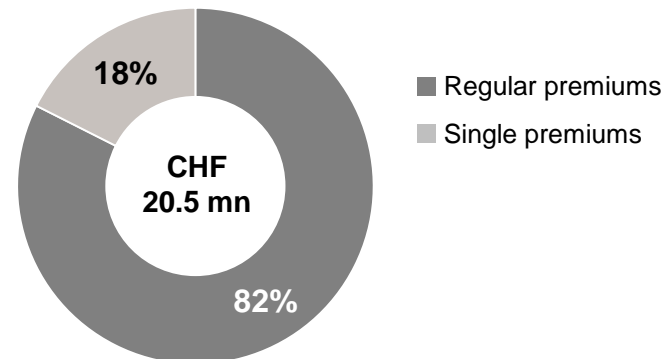
## Regular gross premiums volume CH

(in CHF million, 2011)



## Business-split of SEV insurance (SEVV)

(in CHF million, 2011)



# Non-life business Switzerland



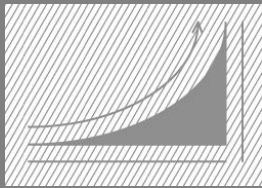
(in CHF million)

	HY 12	HY 11	+/- in %
Total premiums non-life	<b>555</b>	<b>553</b>	<b>+0.4</b>
Property	235	231	+1.5
Transport	19	18	+5.3
Motor vehicle	225	206	+9.5
Liability	74	75	-0.5
Accident/health	2	23	-92.4
<b>Combined ratio (net)</b>	<b>85.3%</b>	<b>81.5%</b>	<b>+3.8% pts.</b>
Claims ratio (net)	59.9%	55.1%	+4.8% pts.
Cost ratio (net)	25.4%	26.4%	-1.0% pts.

- Resale of accident / health business
- Invoicing effect motor vehicle (ex Alba/Phenix)
- Good combined ratio despite the increased claims burden caused by severe weather
- Effective cost management

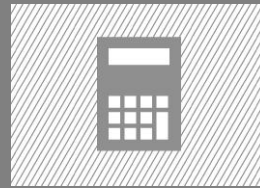
## H2015+

Growth+



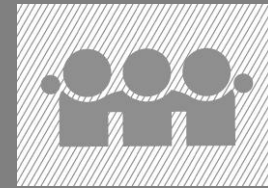
**Strengthen expansion  
of market positions**

Profitability+



**Sustainably improve  
profitability**

Customer loyalty+



**Improve customer  
loyalty in line with  
needs**

**So simple**  
Just ask us.

helvetia

## Appendix

helvetia

- Income statement Slide 33 - 35
- Life business Slide 36 - 37
- Non-life business Slide 38 - 40
- Investments Slide 41 - 51
- Equity Slide 52 - 56



# Business volume by geography half-year 2012



(in CHF million)

Currency-adjusted growth	Life		Non-life		Total	
	HY 12	+/- %	HY 12	+/- %	HY 12	+/- %
<b>Switzerland</b>	<b>2,339</b>	<b>-1.4%</b>	<b>555</b>	<b>+0.4%</b>	<b>2,894</b>	<b>-1.1%</b>
<b>EU</b>	<b>586</b>	<b>-4.0%</b>	<b>936</b>	<b>+3.0%</b>	<b>1,522</b>	<b>+0.2%</b>
Germany	113	-11.4%	362	+8.3%	475	+2.8%
Italy*	363	-2.8%	263	+1.8%	626	-0.9%
Spain	58	+6.6%	153	-6.3%	211	-3.1%
Austria	52	-5.2%	98	+1.5%	150	-0.9%
France	-	-	60	+7.8%	60	+7.8%
<b>Direct business</b>	<b>2,925</b>	<b>-2.0%</b>	<b>1,491</b>	<b>+2.1%</b>	<b>4,416</b>	<b>-0.6%</b>
<b>Assumed reinsurance</b>					<b>112</b>	<b>-2.7%</b>
<b>Total</b>					<b>4,528</b>	<b>-0.7%</b>

\* Including deposit volumes (not reported as premiums under IFRS)

# Life business volume half-year 2012



(in CHF million)

Currency-adjusted growth	Individual life	Group life	Unit-linked	Deposits	Total Life
Switzerland	470	1,837	32	-	<b>2,339</b>
	+51.4%	-9.6%	+4.3%	-	<b>-1.4%</b>
Germany	41	23	49	-	<b>113</b>
	-10.2%	-27.2%	-3.0%	-	<b>-11.4%</b>
Italy*	265	13	-	85	<b>363</b>
	+11.8%	-8.2%	-	-30.4%	<b>-2.8%</b>
Spain	24	27	7	-	<b>58</b>
	-11.0%	+8.4%	+177.5%	-	<b>+6.6%</b>
Austria	44	-	8	-	<b>52</b>
	-10.7%	-	+45.0%	-	<b>-5.2%</b>
<b>Total</b>	<b>844</b>	<b>1,900</b>	<b>96</b>	<b>85</b>	<b>2,925</b>
	<b>+25.5%</b>	<b>-9.6%</b>	<b>+7.5%</b>	<b>-30.4%</b>	<b>-2.0%</b>

\* including deposit volumes (not reported as premiums under IFRS)

# Non-life business volume half-year 2012

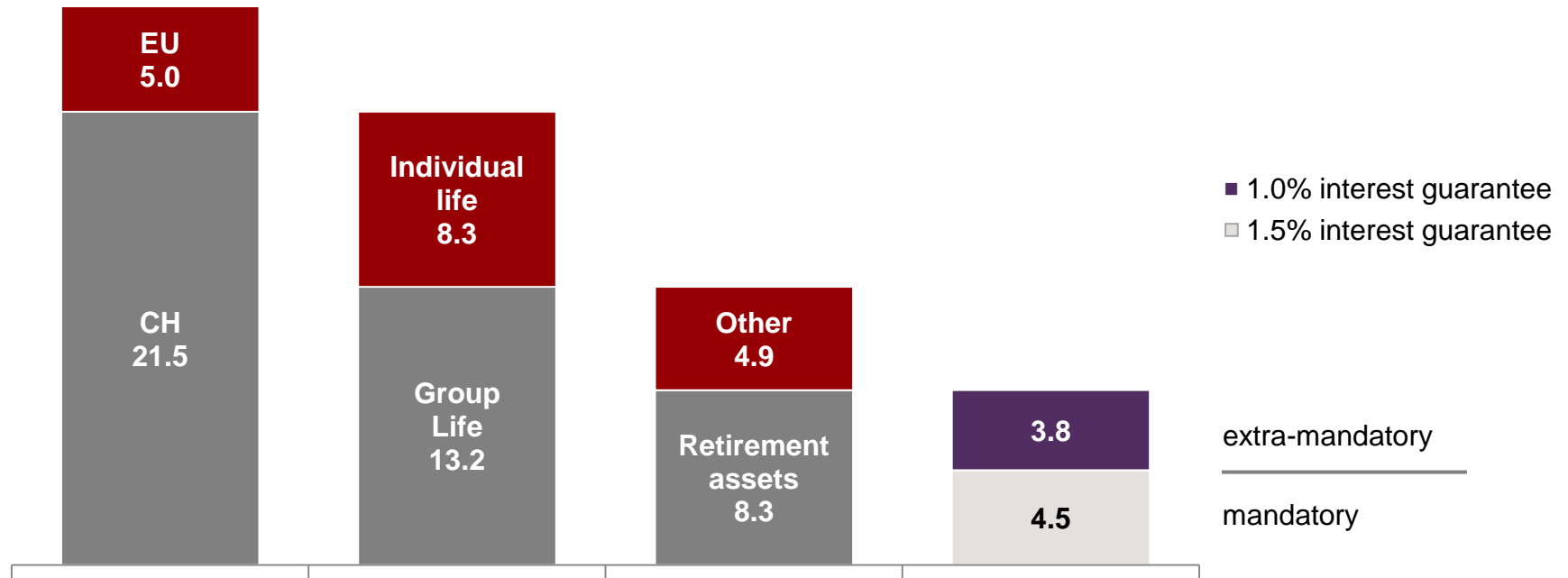


(in CHF million)

Currency-adjusted growth	Property	Transport	Motor vehicle	Liability	Accident/health	Total NL
Switzerland	235	19	225	74	2	555
	+1.5%	+5.3%	+9.5%	-0.5%	-92.4%	+0.4%
Germany	180	27	98	40	17	362
	+5.9%	+9.4%	+16.5%	+5.3%	-2.8%	+8.3%
Italy	37	2	159	19	46	263
	-7.0%	-12.4%	+2.7%	+8.8%	+4.3%	+1.8%
Spain	65	8	57	11	12	153
	+3.2%	-12.5%	-8.8%	-13.0%	-24.5%	-6.3%
France	1	38	19	2	-	60
	-10.3%	+10.2%	+3.6%	+13.9%	-	+7.8%
Austria	35	4	39	12	8	98
	+0.7%	-3.9%	+2.0%	+1.1%	+5.6%	+1.5%
<b>Total</b>	<b>553</b>	<b>98</b>	<b>597</b>	<b>158</b>	<b>85</b>	<b>1,491</b>
	<b>+2.4%</b>	<b>+5.7%</b>	<b>+5.9%</b>	<b>+1.2%</b>	<b>-20.8%</b>	<b>+2.1%</b>

# Life reserves with interest guarantee

(in CHF billion)



■ 20.9% of Swiss life reserves are subject to the BVG minimum interest rate

# Assumptions for EV calculation

Assumptions for calculation	Switzerland		EU	
	HY 12	HY 11	HY 12	HY 11
Risk discount rate (RDR)	5.5%	6.5%	7.0% - 10.0%	8.0%
Yield on bonds	1.1% - 2.1%	2.1% - 2.8%	4.0% - 5.6%	4.1% - 5.2%
Yield on equities	6.5%	6.5%	7.5%	7.5%
Yield on real estate	4.5%	4.5%	4.9%	3.9%

- Due to strongly diverging interest rates, the EV of each country has been calculated with separately defined risk discount rates

# Overview of net combined ratios



(in %)

	CH	DE	IT	ES	AT	FR	Group*	RE
Claims ratio (net)	59.9	68.6	69.4	72.5	69.9	54.0	65.8	67.1
Cost ratio (net)	25.4	29.8	26.1	25.1	31.6	30.8	27.3	29.1
<b>Combined Ratio HY 12</b>	<b>85.3</b>	<b>98.4</b>	<b>95.5</b>	<b>97.6</b>	<b>101.5</b>	<b>84.8</b>	<b>93.1</b>	<b>96.2</b>
Combined Ratio HY 11	81.5	99.6	97.3	96.0	97.2	96.4	92.5	97.9
<b>Change from HY 11</b>	<b>3.8</b>	<b>-1.2</b>	<b>-1.8</b>	<b>1.6</b>	<b>4.3</b>	<b>-11.6</b>	<b>0.6</b>	<b>-1.7</b>

\* The Group ratio reflects the non-life business segment, which includes the direct business, while reinsurance is included in the other business segment.

# Non-life technical account



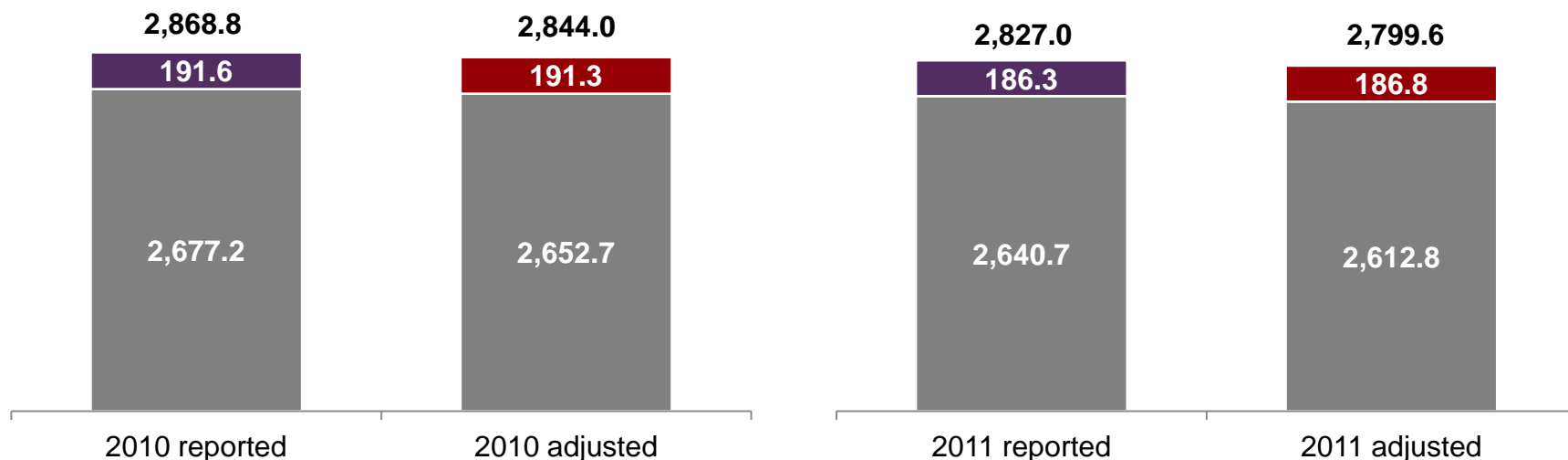
(in CHF million)

	HY 12			HY 11		
	Gross	Share RE	Net	Gross	Share RE	Net
Premiums earned	1,198	-123	1,075	1,228	-135	1,093
Insurance benefits	-767	59	-708	-757	50	-707
Technical costs	-319	26	-293	-335	31	-304
<b>Technical result</b>	<b>112</b>	<b>-38</b>	<b>74</b>	<b>136</b>	<b>-54</b>	<b>82</b>
Investment income, net			58			56
Other non-technical expenses and income			-19			-24
<b>Pre-tax profit</b>			<b>113</b>			<b>114</b>
Taxes			-29			-23
<b>Profit after tax</b>			<b>84</b>			<b>91</b>
Claims ratio (incl. Profit participation)	64.0%		65.8%	61.7%		64.7%
Cost ratio	26.6%		27.3%	27.2%		27.8%
Combined ratio (net)	90.6%		93.1%	88.9%		92.5%

# Improved reserving method non-life

Adjustments are booked directly into equity, with no P&L effect

(in CHF million)



- Loss reserves
- Reserve loadings
- IBNR major claims BUs (gross)

	Reported (reserve loadings)	Adjusted (IBNR provisions)
<b>Method</b>	Percentage surcharges on loss reserves depending on line of business in place	Based on the amount of observed major claims and average cost of claim, loss reserves are increased by the actuarial calculated demand for incurred but not yet reported major claims (IBNR)
<b>Assessment</b>	Group-wide consistent parameters	Country and line-of-business specific assumptions
<b>Impact P&amp;L</b>	In previous periods both methods had an impact in a low single-digit million range. The adjusted interim result 2011 is at CHF 171.5 million about CHF +1.1 million higher than primarily reported	



# Investment result by business area



(in CHF million)

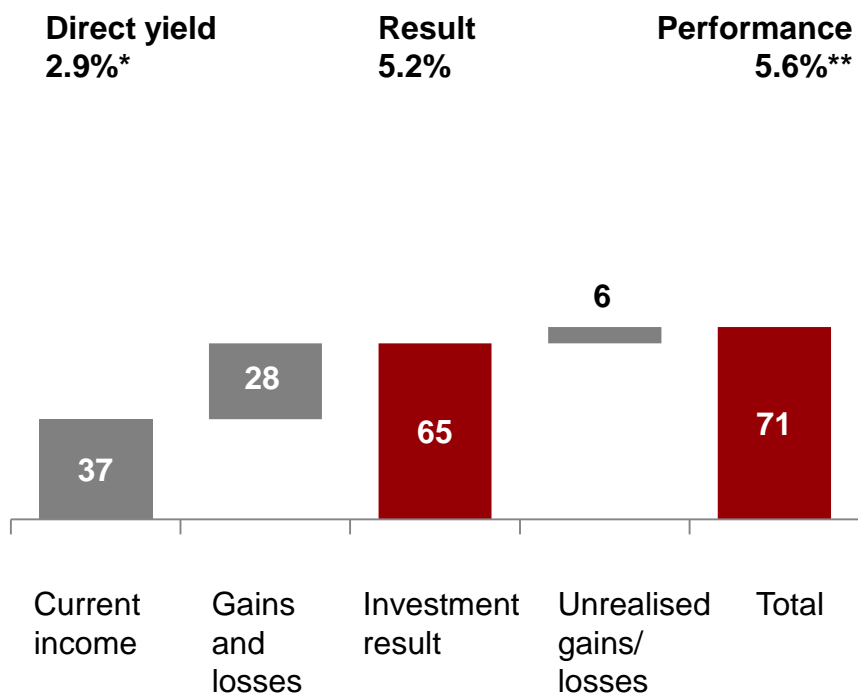
	Life		Non-life		Other*		Total		Change
	HY 12	HY 11	HY 12	HY 11	HY 12	HY 11	HY 12	HY 11	
<b>Current income (net)</b>	<b>434</b>	<b>424</b>	<b>53</b>	<b>55</b>	<b>6</b>	<b>8</b>	<b>493</b>	<b>487</b>	<b>+6</b>
- Current income on Group investments	344	339	46	46	6	8	396	393	+3
- Rental income	90	85	7	9	-	-	97	94	+3
<b>Gains and losses on Group Investments (net)</b>	<b>46</b>	<b>-30</b>	<b>5</b>	<b>1</b>	<b>-1</b>	<b>-5</b>	<b>50</b>	<b>-34</b>	<b>+84</b>
- Equities, investment funds alternative investments, derivatives	-	5	3	-1	-3	12	-	16	-16
- Bonds	26	-32	-	-15	3	-	29	-47	+76
- Investment property	17	-5	1	-	-	-	18	-5	+23
- Other	3	2	1	17	-1	-17	3	2	+1
<b>Income from Group financial assets and investment property</b>	<b>480</b>	<b>394</b>	<b>58</b>	<b>56</b>	<b>5</b>	<b>3</b>	<b>543</b>	<b>453</b>	<b>+90</b>
Unit-linked	52	-28	-	-	-	-	52	-28	+80
<b>Income from financial assets and investment property</b>	<b>532</b>	<b>366</b>	<b>58</b>	<b>56</b>	<b>5</b>	<b>3</b>	<b>595</b>	<b>425</b>	<b>+170</b>
<b>Direct yield</b>	<b>3.0%</b>	<b>3.1%</b>	<b>2.9%</b>	<b>3.0%</b>			<b>2.9%</b>	<b>3.0%</b>	
<b>Performance</b>	<b>2.3%</b>	<b>1.1%</b>	<b>2.6%</b>	<b>1.2%</b>			<b>2.3%</b>	<b>1.0%</b>	

\* incl. elimination of intra-Group interest and dividend income

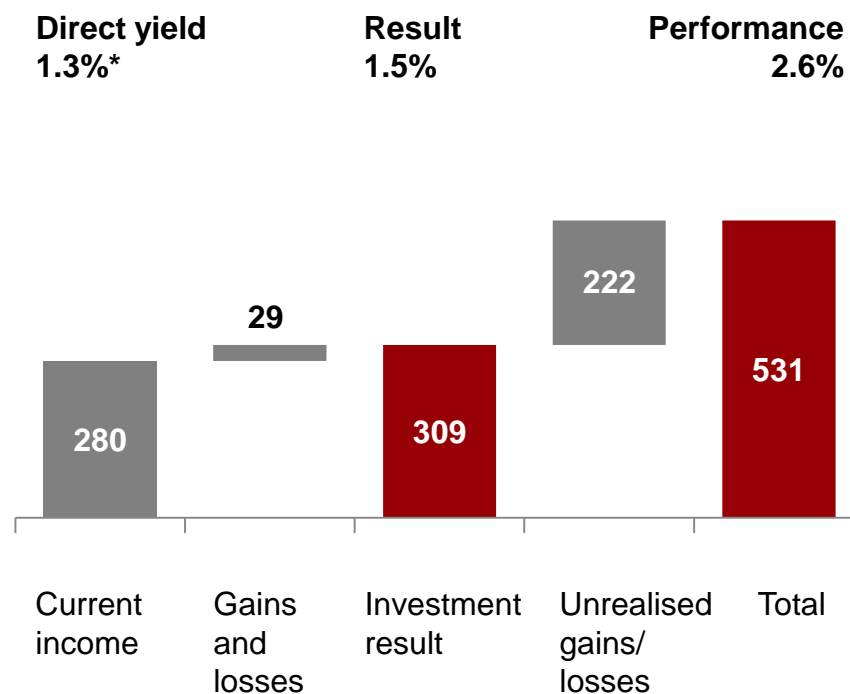
# Direct yield and performance (1/2)

(in CHF million)

## Equities



## Bonds



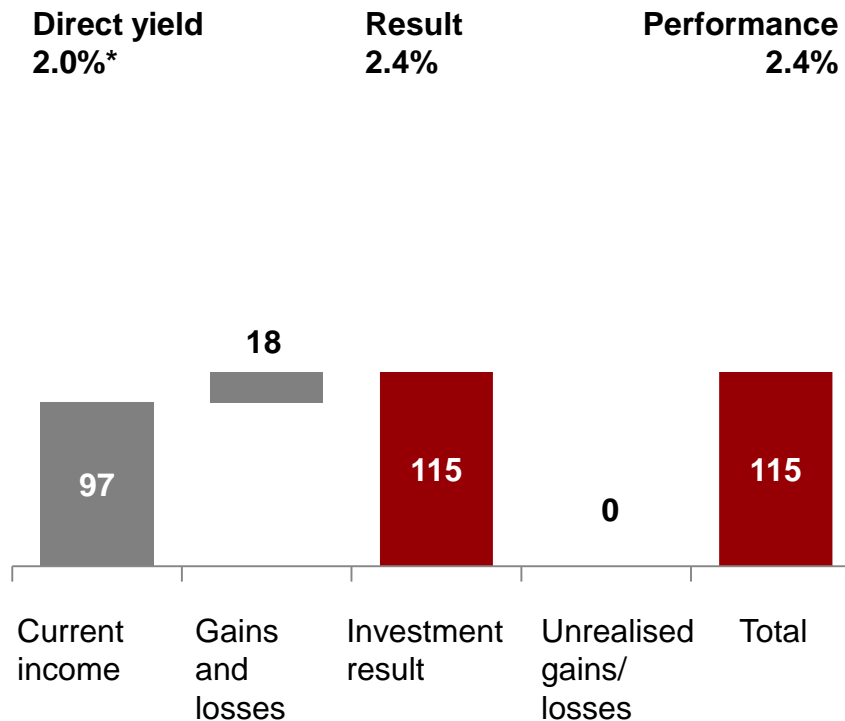
\* not annualised

\*\* before hedging

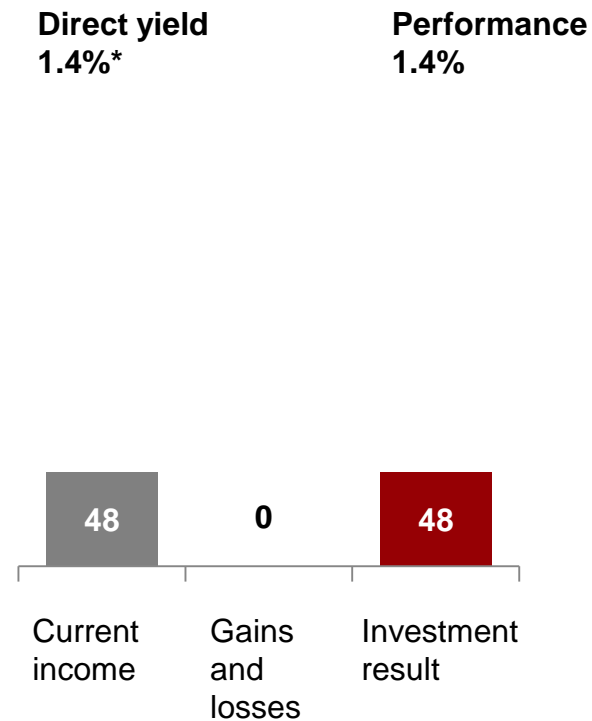
# Direct yield and performance (2/2)

(in CHF million)

## Investment property



## Mortgages



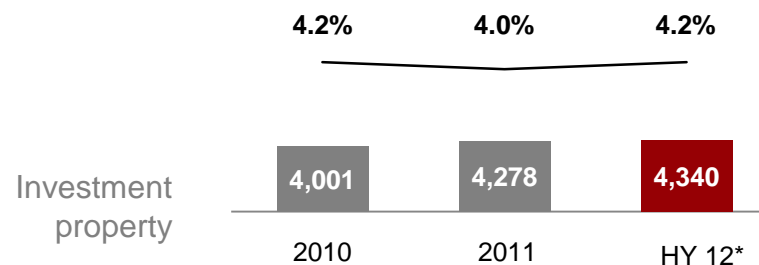
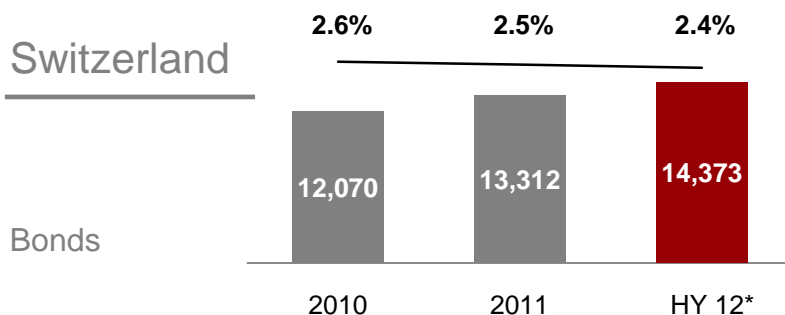
\* not annualised

# Direct yield in life business

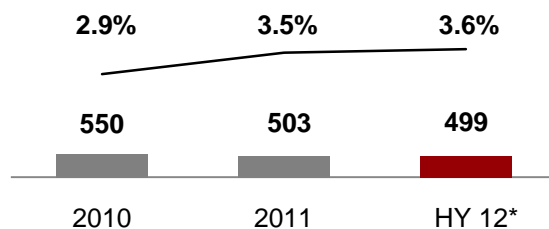


(in CHF million)

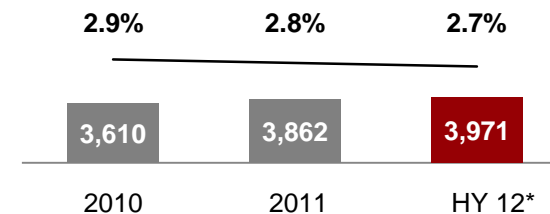
## Switzerland



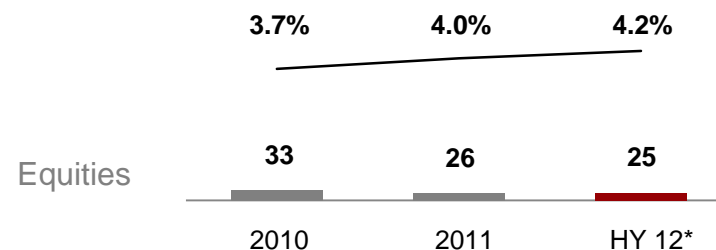
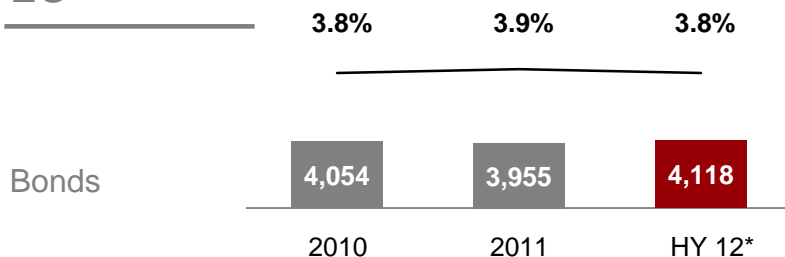
## Equities



## Loans / Mortgages

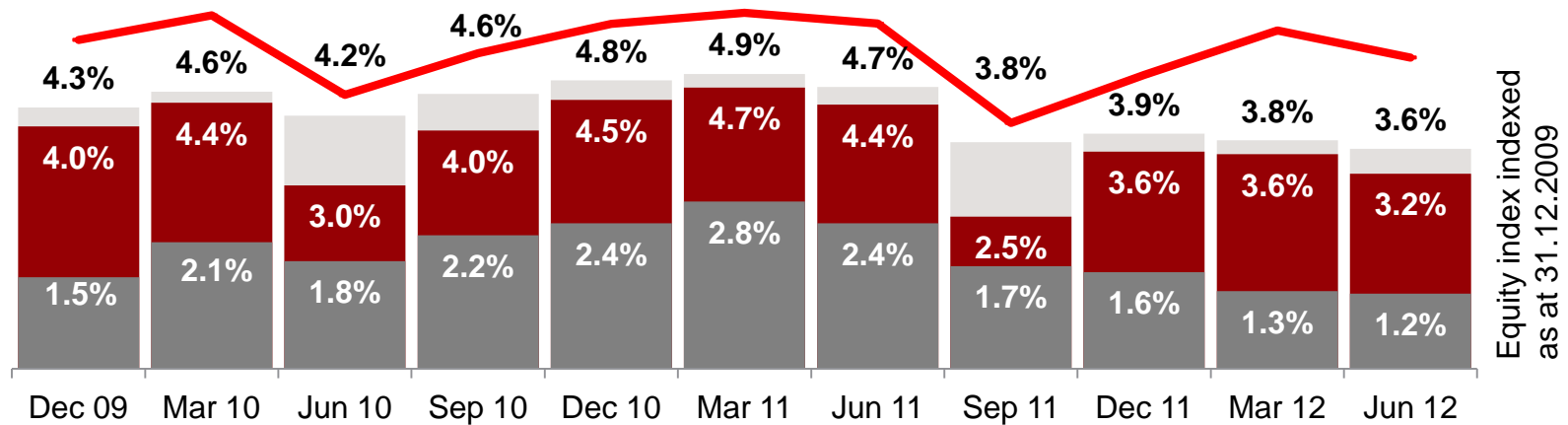
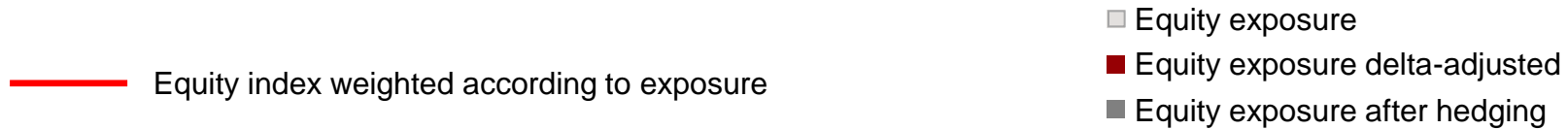


## EU



\* Half-year annualised except for equities

# Equity exposure\* vs market trends

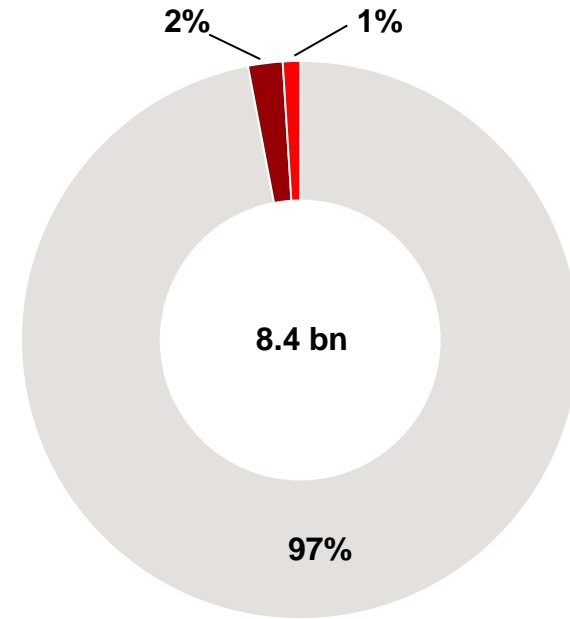
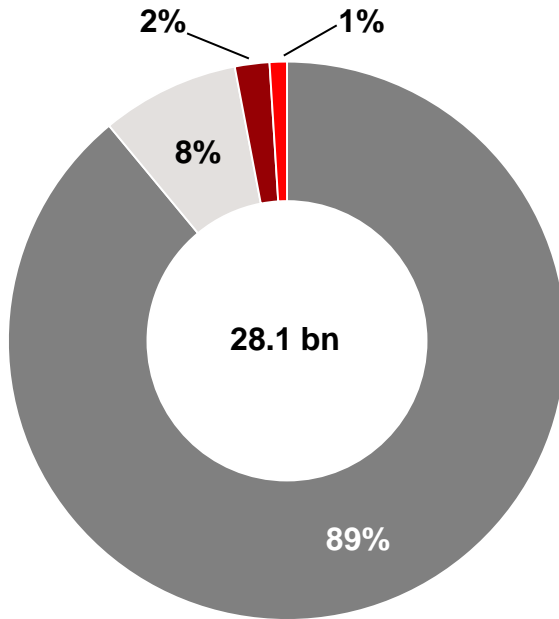


\* Equity exposure incl. Group equity funds

# Investments in original currency

## Switzerland

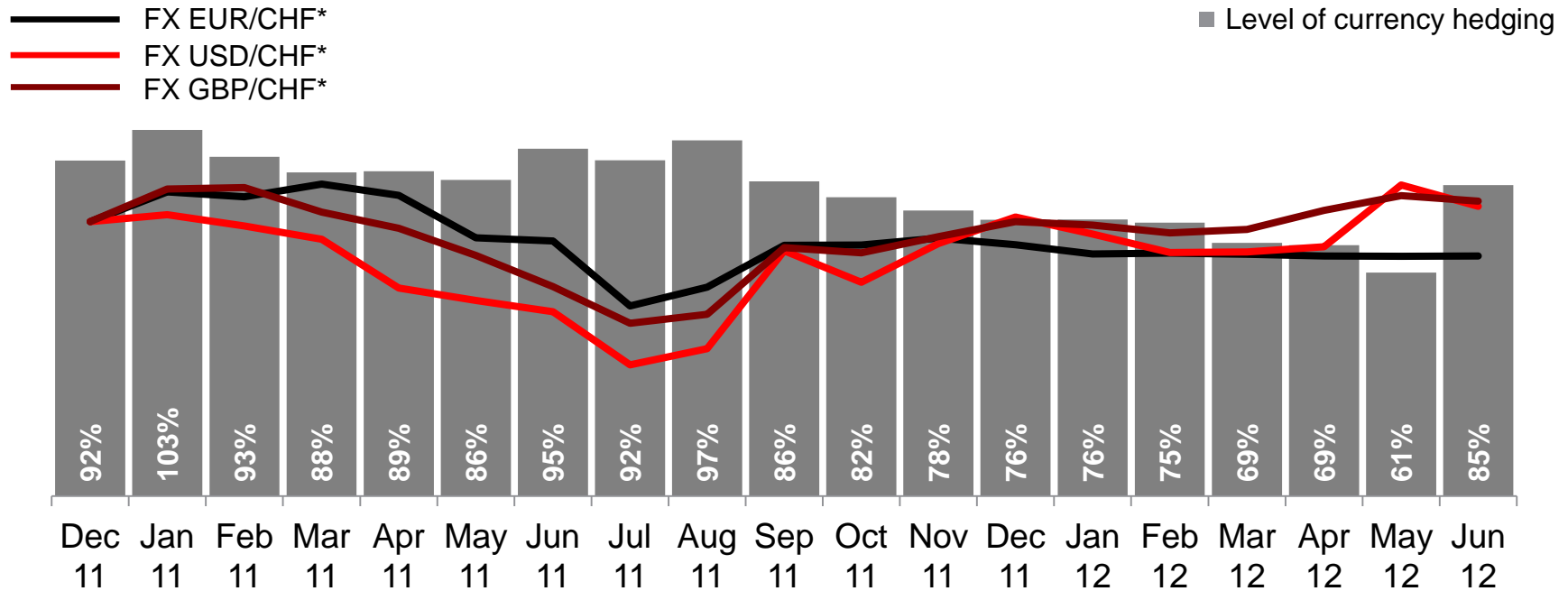
## EU



- CHF
- EUR
- USD
- Other

	Bonds	Equities	Investment funds	Other
CHF	62%	49%	41%	88%
EUR	36%	26%	53%	12%
USD	1%	17%	6%	-
Other	1%	8%	-	-

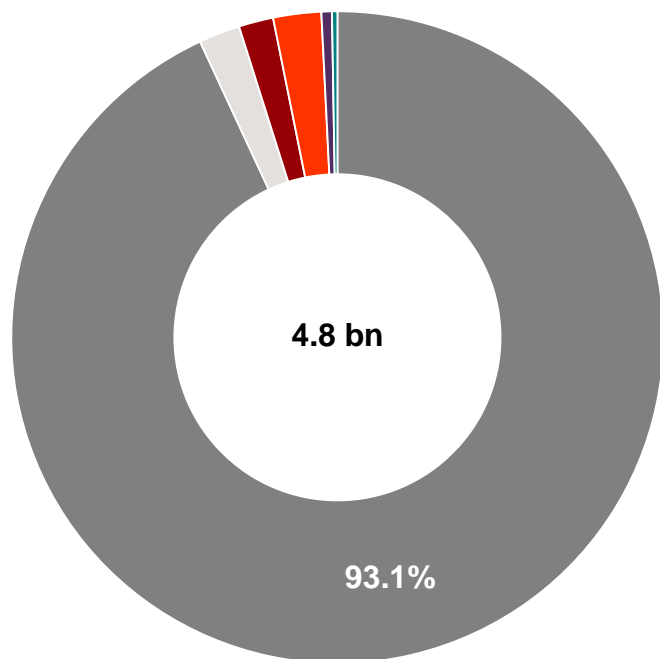
# Currency hedges vs currency trends



- Helvetia holds investments in foreign currencies to cover liabilities in same currencies and to diversify its investment base. This currency exposure equalling around CHF 2.1 billion is hedged comprehensively and permanently
- After the exchange rate target has been set by the SNB, the hedges of the Euro have been reduced and partially replaced by currency options. The increase in June is explained by renewals for expiring coverage in July and August
- The hedges largely reduce the volatility of the investments in foreign currency in the income statement
- In comparison to the foreign currency exposure, the remaining currency movements in the result are relatively small

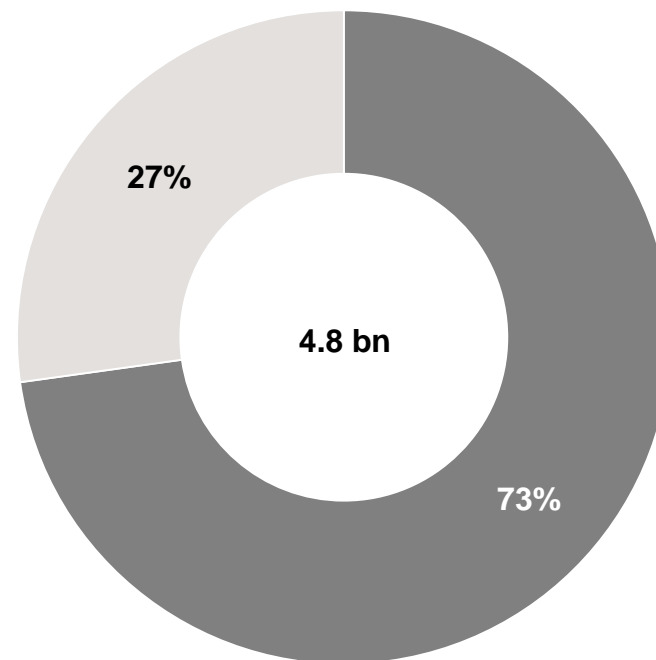
\* Indexed as at 31.12.2010

By country



- Switzerland (93.1%)
- Spain (2.4%)
- Germany (2.0%)
- Italy (0.5%)
- Austria (1.7%)
- France (0.3%)

By use



- Residential
- Commercial



# Exposure of sovereigns under observation

## By IFRS category\*

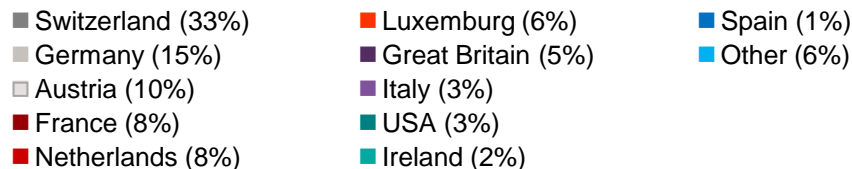
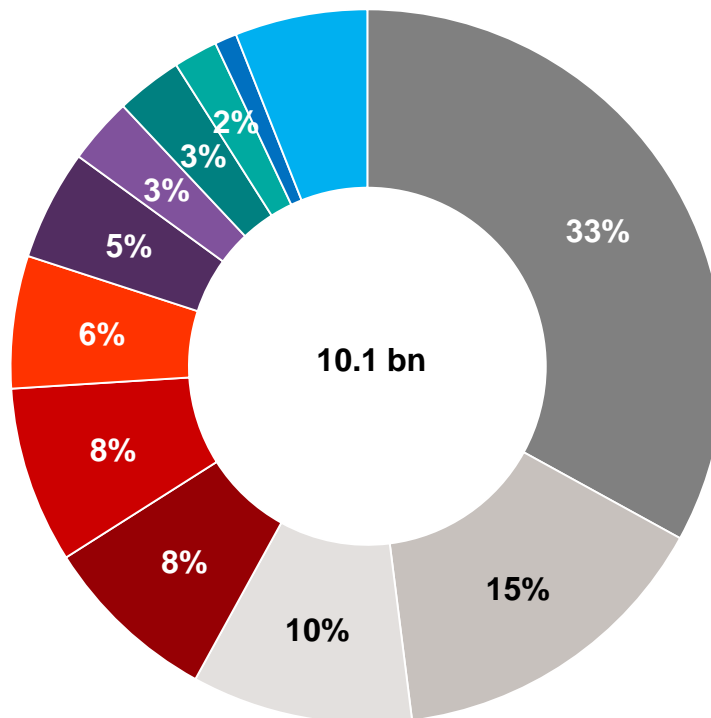
(in CHF million, IFRS carrying values as at 30.06.2012)

	AFS	HTM	Trading	Index-Linked	Funds	Total book value	Total market value	Unreal. G/L in equity
Italy (A)	571.0	46.1	0.0	256.8	4.0	<b>877.9</b>	<b>875.1</b>	<b>-38.5</b>
Spain (BBB)	71.0	95.7	1.8	59.8	57.9	<b>286.2</b>	<b>278.3</b>	<b>-5.5</b>
Portugal (BB)	15.7	-	0.0	0.0	0.0	<b>15.7</b>	<b>15.7</b>	<b>-6.7</b>
Ireland (BBB)	1.1	3.6	-	0.0	0.2	<b>4.9</b>	<b>4.5</b>	<b>0.0</b>
Greece (CCC)	0.3	-	-	0.0	0.0	<b>0.3</b>	<b>0.3</b>	<b>-0.5</b>
<b>Total</b>	<b>659.2</b>	<b>145.4</b>	<b>1.8</b>	<b>316.6</b>	<b>62.1</b>	<b>1,185.0</b>	<b>1,173.9</b>	<b>-51.4</b>

- Further active reduction took place particularly for Spanish exposure since 30.06.

\* Reported investments include direct exposure to bonds as well as bond exposure of significant funds.

# Financial bonds by country of issuer's origin

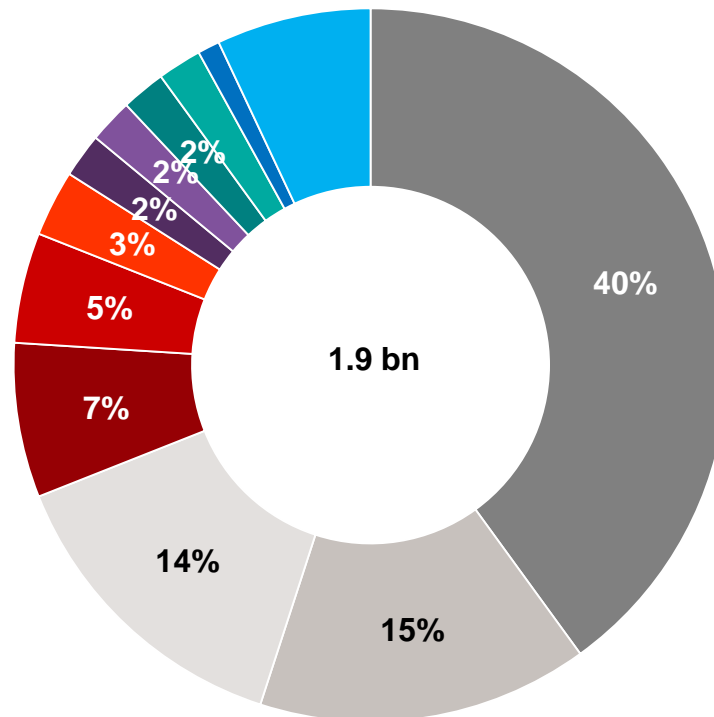


## 10 largest counterparties in financial bonds...

Pfandbriefbank der Schweizerischen Hypothekarinstitute  
 Pfandbriefzentrale der Schweizerischen Kantonalbanken  
 Luzerner Kantonalbank  
 N.V. Bank Nederlandse Gemeenten (BNG)  
 Zürcher Kantonalbank  
 Basler Kantonalbank  
 Eurohypo SA Luxemburg  
 Kreditanstalt für Wiederaufbau  
 Compagnie de Financement Foncier (CFF)  
 Eurofima

**... equal around 38% of the Group's financial bond portfolio**

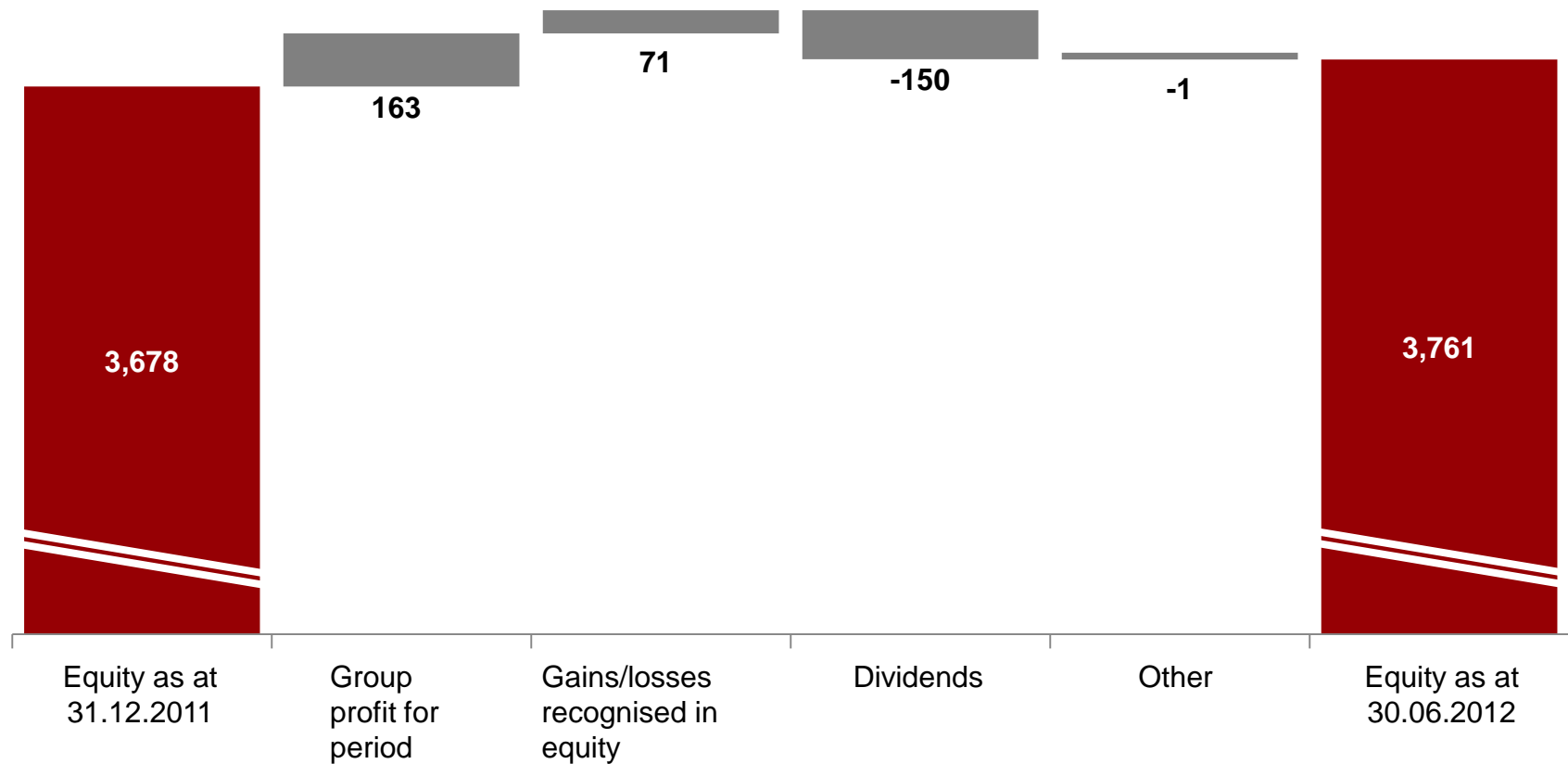
# Corporate bonds by country of issuer's origin



- France (40%)
- Switzerland (15%)
- Netherlands (14%)
- USA (7%)
- Austria (5%)
- Italy (3%)
- Great Britain (2%)
- Germany (2%)
- Australia (2%)
- Luxemburg (2%)
- Japan (1%)
- Other (7%)

# Changes in equity

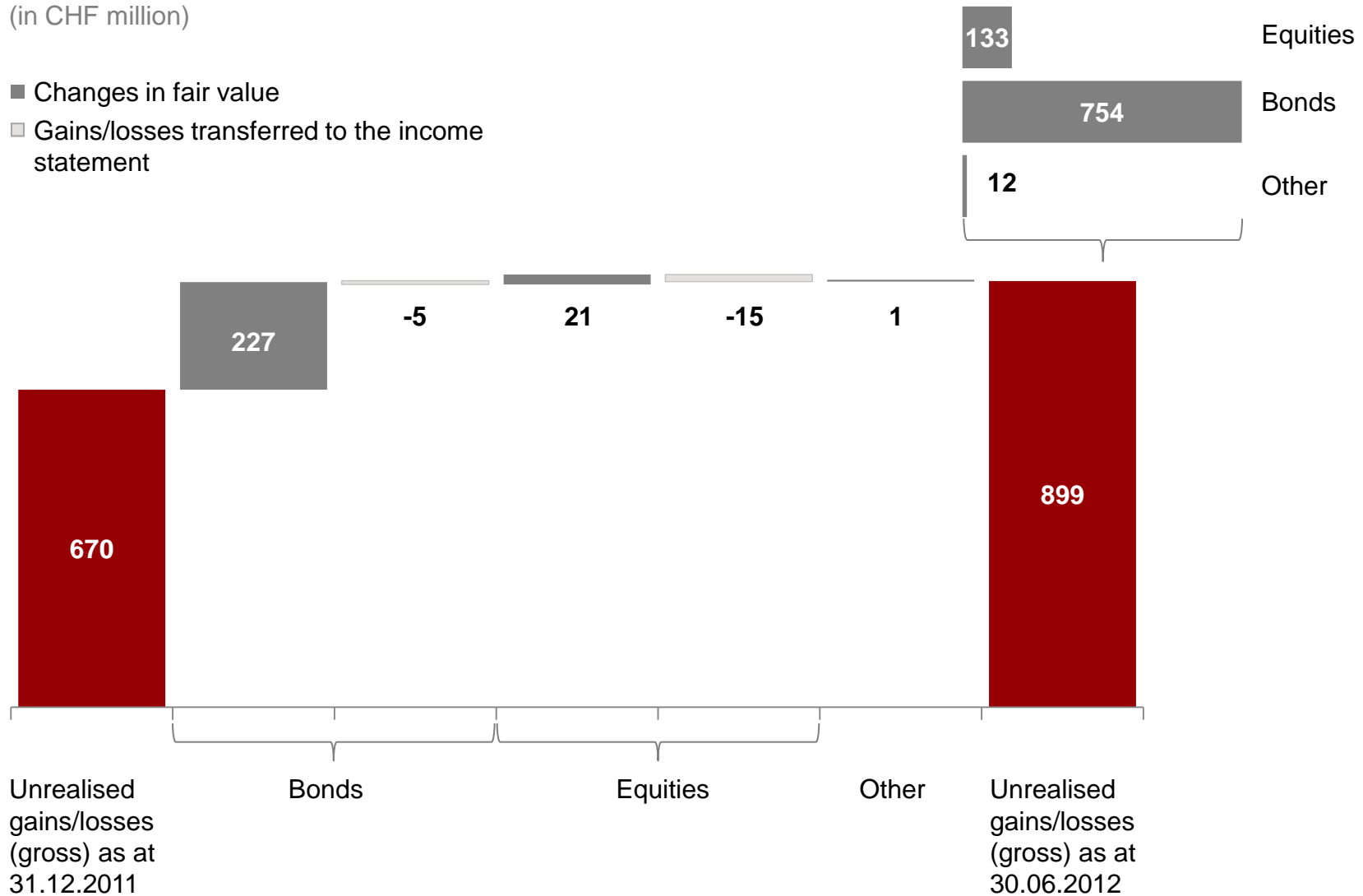
(in CHF million)



# Changes in unrealised gains/losses

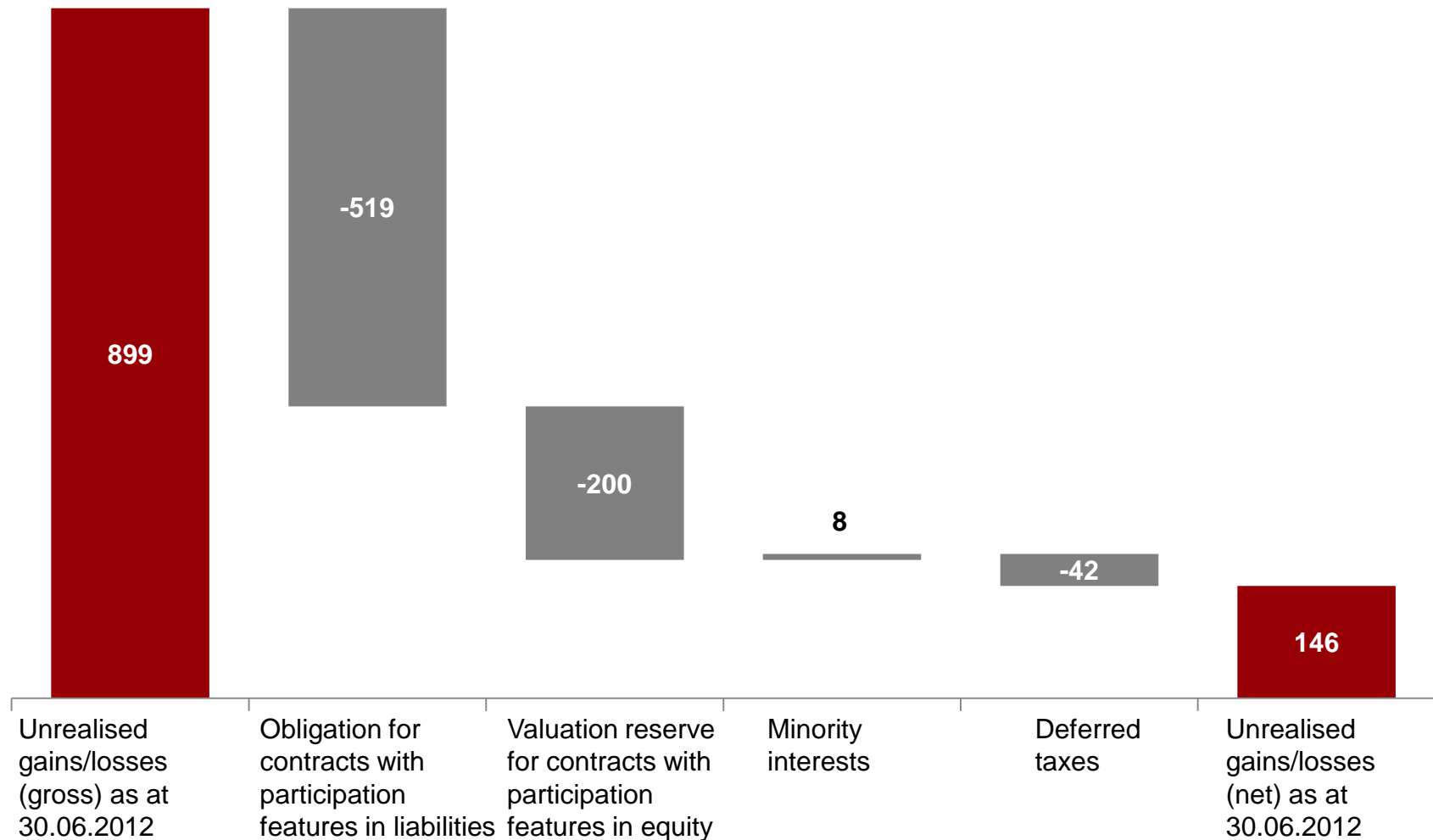
(in CHF million)

- Changes in fair value
- Gains/losses transferred to the income statement



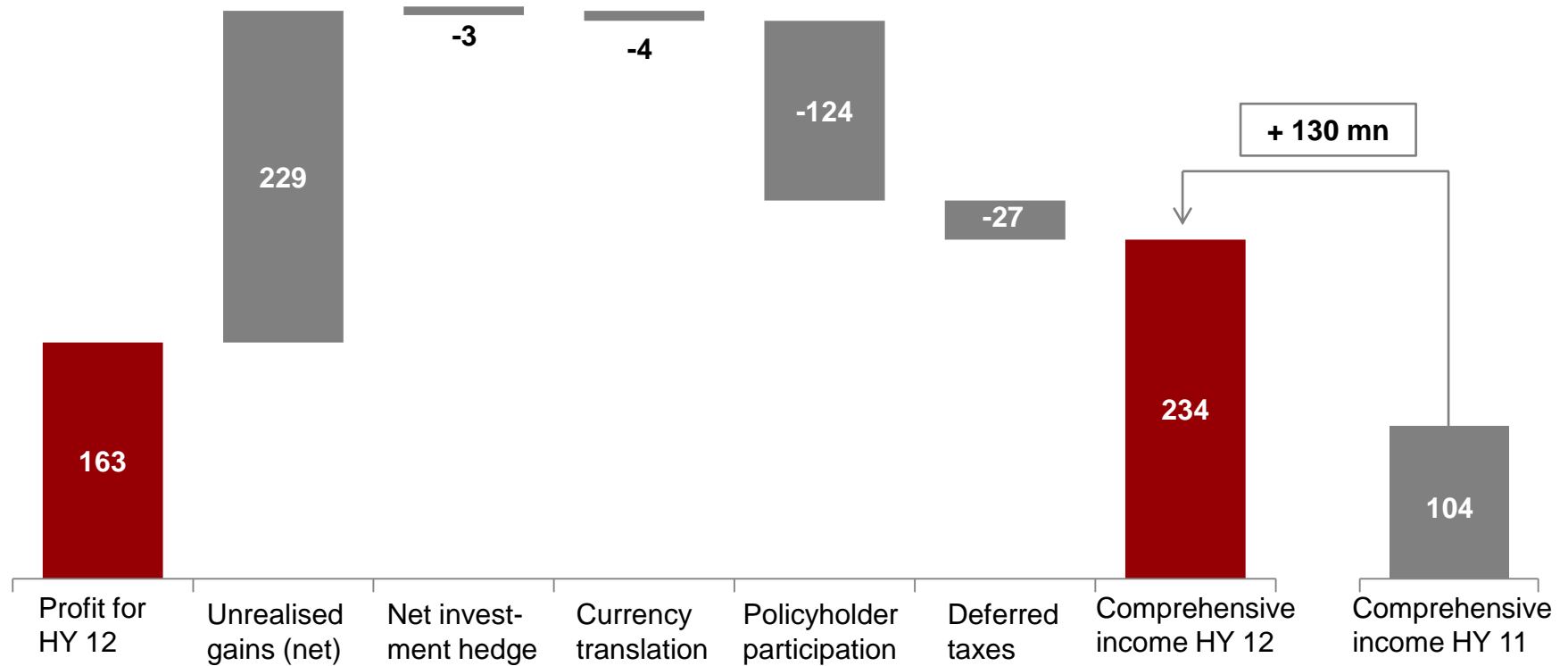
# Unrealised gains/losses (net)

(in CHF million)



# Comprehensive income

(in CHF million)

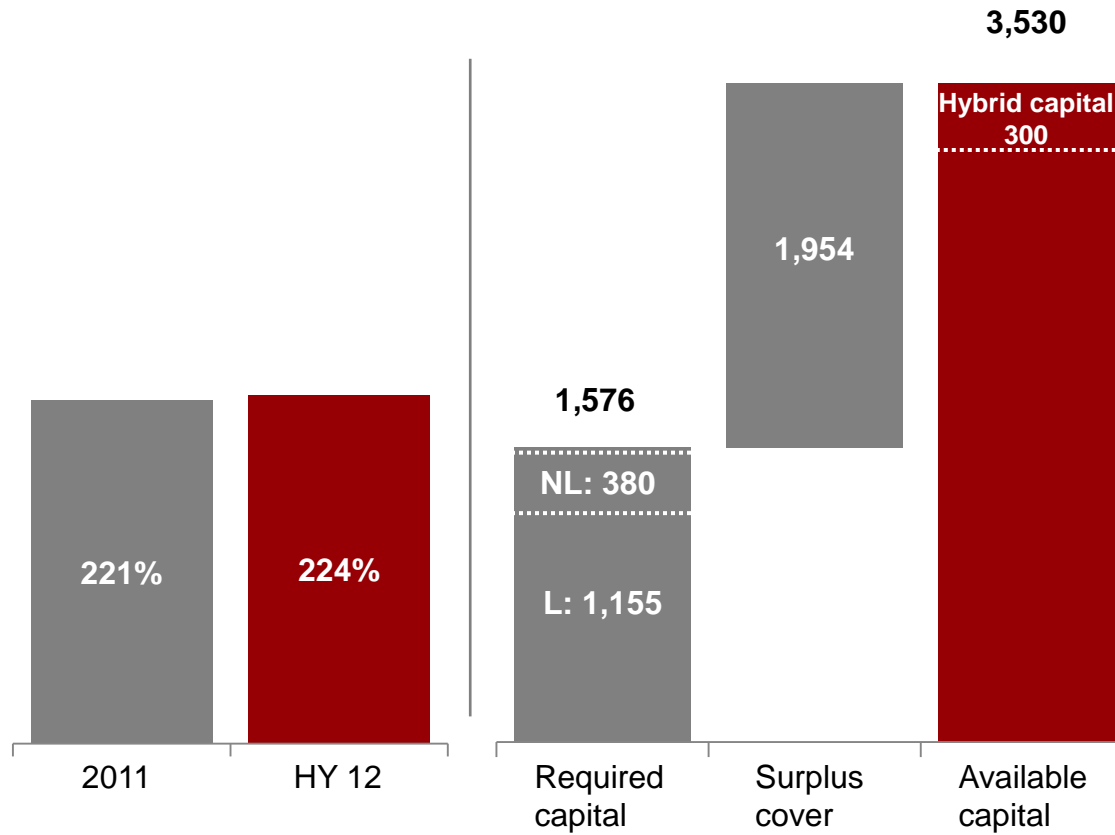


# Group solvency and sensitivities

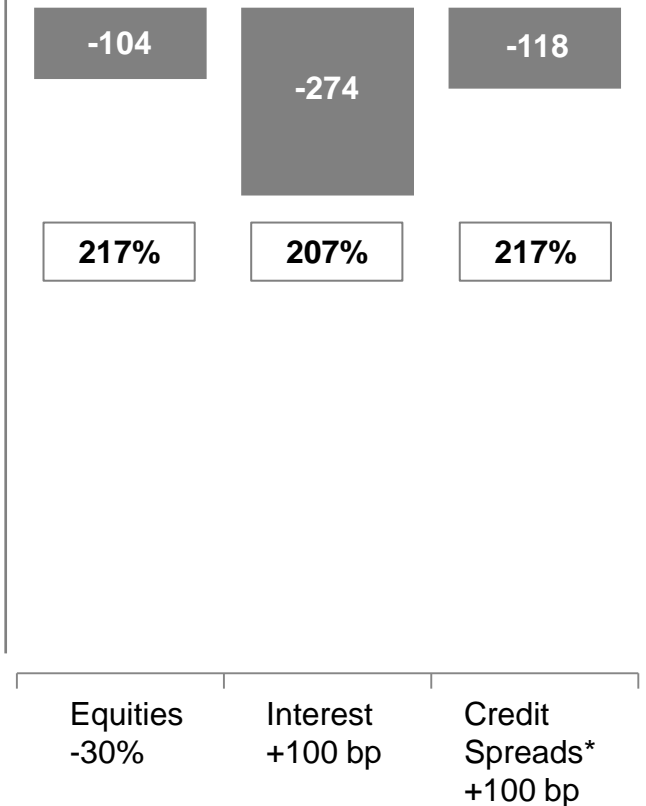


(in CHF million)

## Solvency I 224% (reported)



## Sensitivity analysis



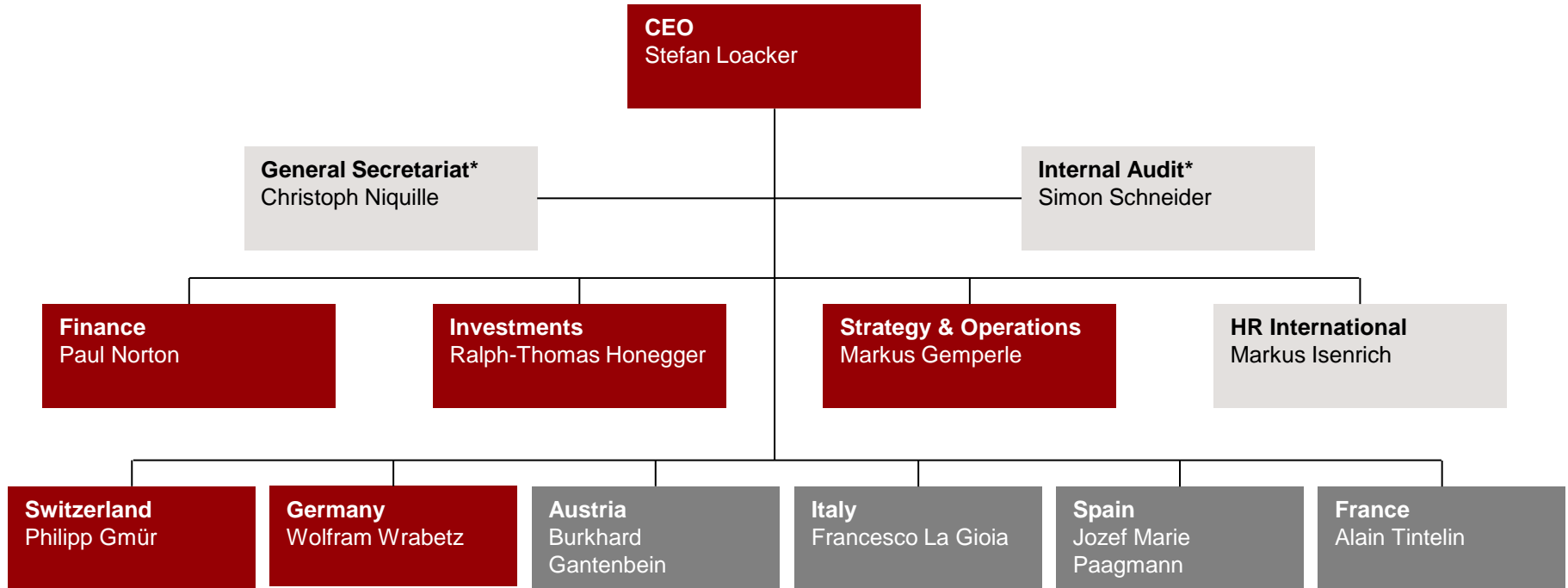
\* Contains corporate spreads & sovereign spreads for PIIGS-countries





Helvetia is a Europe-wide all-line insurance provider with core competences in risk management (life and non-life insurance business, reinsurance) as well as in pensions. The Group is active in Central and Southern Europe through its regional offices and subsidiaries. The Group is headquartered in St. Gallen, while the Swiss company's headquarters are located in Basel. With approximately 4,900 employees, Helvetia provides services to more than 2.5 million customers in six European countries. Around 2,500 people work for the company in Switzerland. The Group generated a business volume of about CHF 7.2 billion in the past financial year and a net profit of about CHF 288.7 million. The registered shares of Helvetia Holding are traded on the SIX Swiss Exchange under the symbol HELN.

# Management structure of Helvetia Group

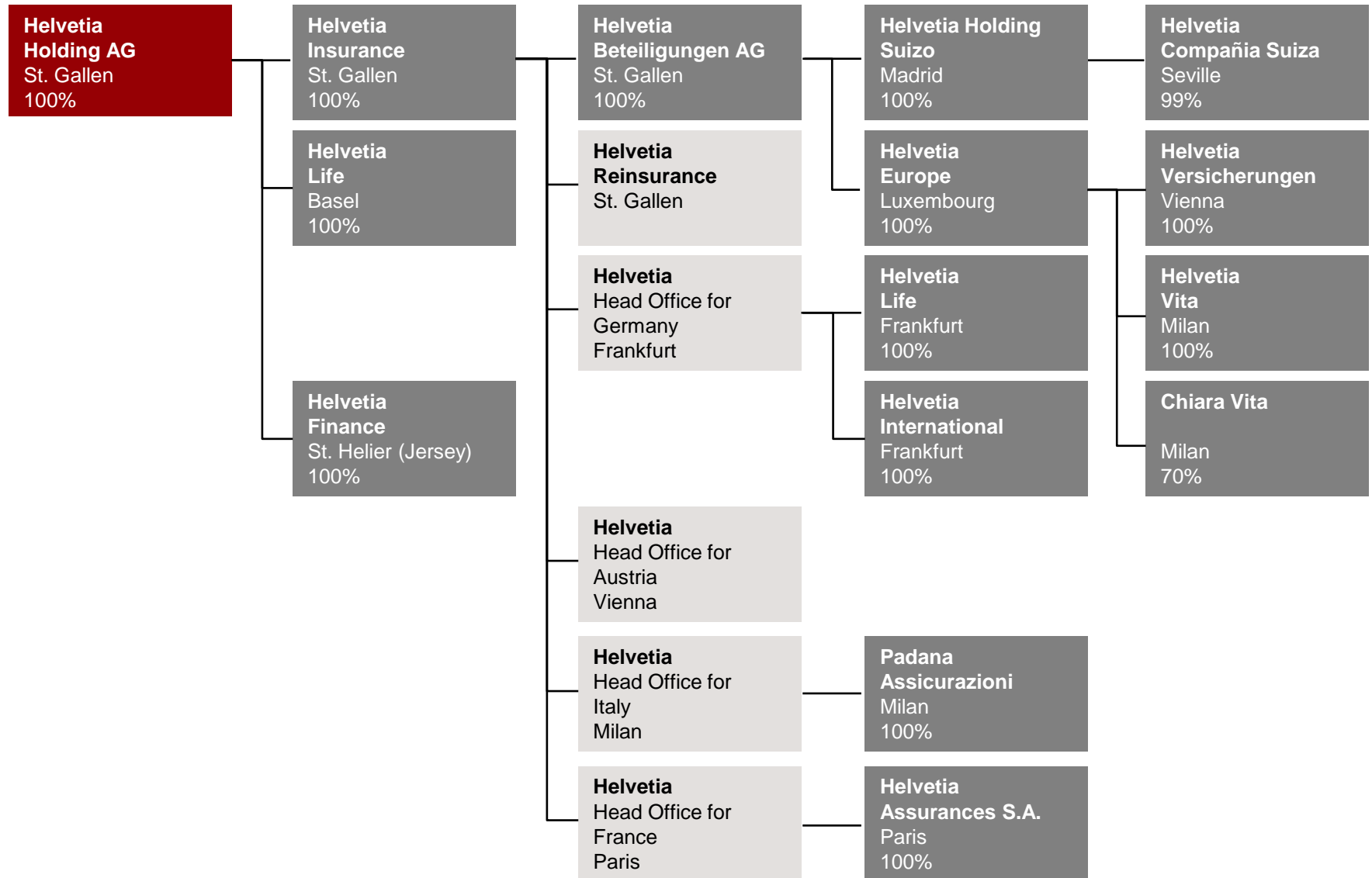


■ Members of the Group Executive Management

■ Support functions

\* reports to the Chairman of the Board of Directors

# Group structure



- 11.03.2013 Publication of annual financial results for 2012
- 19.04.2013 Ordinary Shareholders' Meeting
- 02.09.2013 Publication of interim financial results for 2013

## Investor Relations

---

Nicola Breitschopf  
Helvetia Group  
Dufourstr. 40  
CH 9001 St.Gallen  
Telephone: +41 (0)58 280 56 04  
E-Mail: nicolamaria.breitschopf@helvetia.ch

## Corporate Communications & Brand Management

---

Martin Nellen  
Helvetia Group  
Dufourstr. 40  
CH 9001 St.Gallen  
Telephone: +41 (0)58 280 56 88  
E-Mail: martin.nellen@helvetia.ch

