St.Gallen, 3 September 2012

Media release

Helvetia shows strong progress

During the first half of 2012, the Helvetia Group generated a profit of CHF 162.7 million. With a business volume of CHF 4,527.90 million, the premium volume was on par with last year's level. With a solvency I of 224 per cent, capitalisation remained strong. Helvetia used this financial strength to continue its growth by buying a transport insurance portfolio and the individual life insurance portfolio of SEV Versicherungen in Switzerland.

The most important key figures for the first half of 2012 at a glance:

- **Business volume: CHF 4,527.90 million** (first half of 2011: CHF 4,641.0 million; -0.7 per cent in original currency)
- **Earnings after tax: CHF 162.70 million** (first half of 2011: CHF 171.5 million; -5.2 per cent[1])
- **Solvency I: 224 per cent** (31.12.2011: 221 per cent[1])
- **Other key figures are available in the attachment**

The interim report confirms the stability of the Helvetia Group. In a difficult economic environment, it managed to generate a respectable CHF 162.7 million during the period under review. Good operating results and a sound investment policy contributed to this. While the home market of Switzerland remained strong as before, the foreign markets also posted encouraging results. Helvetia achieved the excellent combined ratio of 93.1 thanks to its healthy non-life portfolio and a further reduction in the expense ratio. At CHF 66.3 million, earnings performance in the life business also grew substantially by 7.0 per cent compared to the previous year.

Targeted growth

Following the 2-digit growth in the previous year, the business volume was consolidated in the first half of 2012. Owing to the lower interest rates for new investments in Switzerland, Helvetia was significantly more selective in its choice of new BVG business. However, substantial growth in the other lines of business largely compensated the resulting reduced premium income. Thus, premiums in the life insurance segment only fell by 2 per cent. Adjusted for currency fluctuations, non-life business grew again by 2.1 per cent. This targeted portfolio development underscores Helvetia's intention of attaining sustainable profitable growth.

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[1] The details for the first half of 2011 were adjusted after changes to the accounting principles.

Solid investments

During the first half of 2012, the financial markets were again affected by the European debt crisis. This situation once again tested the investment and risk management to the limit. The company continued to pursue its longstanding and successful strategy of investing in high-quality capital investments. In this regard, the broadly diversified investment portfolio generated steady, regular income as well as substantial appreciation surpluses. The moderate depreciation of Italian and Spanish government bonds held for operational reasons was by far compensated by the pronounced appreciation of bonds in the Swiss Confederation and other first-class issuers. Overall, investment income from financial investments and real estate totalled CHF 543 million (previous year CHF 454 million) and at the same time saw a significant rise in the substantial appreciation surpluses in equity capital, which is equivalent to an encouraging investment performance of 2.3 per cent after six months. This solid development is also reflected in the solvency I ratio of 224 per cent, which is indicative of the outstanding capitalisation of the Helvetia Group.

Promising acquisitions

Helvetia used its financial strength to continue its growth by taking over a transport insurance portfolios in France and an individual life portfolio in the home market Switzerland. These takeovers represent further important growth impulses. The acquisition of the transport insurance portfolio of Groupama SA with a premium volume of around EUR 150 million will triple the existing business volume of Helvetia France, which is repositioning itself as the strong number two in this market. In Switzerland, Helvetia was able to strengthen its market position in the individual life insurance segment and access a new customer segment thanks to the takeover of the individual life portfolio of SEV Versicherungen with a premium volume of around CHF 20 million. Both transactions are to be concluded in 2012, subject to the approval of the supervisory bodies.

Stefan Loacker, CEO of the Helvetia Group, noted: "Once again, the Helvetia Group has been able to achieve healthy results. At the same time, the attractive acquisitions will enable us to proceed with our strategic growth. We will continue to emphatically and cautiously pursue our goal of dynamically expanding our attractive business portfolio based on a solid footing."

Remarks

- A conference call will be held at 9:30 a.m. in German for media professionals and at 12:00 noon in English for analysts.
- The conference call (English) can be streamed (audio) online at www.helvetia.com/en. A repeat will be available online at www.helvetia.com/en from about 4:00 p.m.
- This media release is also available online at https://www.helvetia.com/corporate/content/en/media-relations.html
- The shareholders' letter including the semi-annual report and the slides for the media and analysts' conference can be downloaded immediately online at www.helvetia.com/infokit-hy.
- The most important key figures are available in the attached fact sheet.

For more information please contact:

Analysts

Helvetia Group
Nicola Maria Breitschopf
Head of Investor Relations
Dufourstrasse 40
9001 St.Gallen

Tel.: +41 58 280 56 04
Fax: +41 58 280 55 89
nicolamaria.breitschopf@helvetia.ch
www.helvetia.com

Media

Helvetia Group
Martin Nellen
Head of Corporate Communications
and Brand Management
Dufourstrasse 40
9001 St.Gallen

Tel.: +41 58 280 56 88
Fax: +41 58 280 55 89
martin.nellen@helvetia.ch
www.helvetia.com

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 4,900 employees provide services to more than 2.5 million customers. With a business volume of CHF 7.2 billion, Helvetia posted a net profit of CHF 289.9 million in the 2011 financial year. The Helvetia Holding registered share is traded on the SIX Swiss Exchange under the symbol HELN.

Cautionary note regarding forward-looking statements

Key figures at 30.06.2012

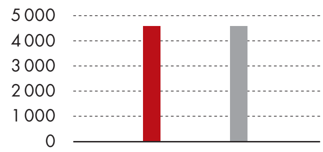
	30.6.2012	31.12.2011[1]	30.6.2011[1]
Key share data Helvetia Holding AG			
Group profit for the period per share in CHF	17.4	32.7	19.1
Consolidated equity per share in CHF	401.9	392.0	364.5
Price of Helvetia registered shares at the reporting date in CHF	286.0	295.0	360.0
Market capitalisation at the reporting date in CHF million	2 474.7	2 552.6	3 115.0
Number of shares issued	8 652 875	8 652 875	8 652 875
in CHF million			
Business volume			
Gross premiums life	2 840.0	4 258.6	2 887.2
Deposits received life	85.1	261.2	128.9
Gross premiums non-life	1 490.8	2 431.8	1 509.7
Assumed reinsurance	112.0	220.5	115.2
Business volume	4 527.9	7 172.1	4 641.0
Key performance figures			
Result life	66.3	155.2	62.0
Result non-life	84.2	135.5	90.1
Result other activities	12.2	–0.8	19.4
Group profit for the period after tax	162.7	289.9	171.5
Investment result	593.4	832.9	425.8
of which investment result from Group financial assets and investment property	543.2	878.4	453.7
Key balance sheet figures			
Consolidated equity (without preferred securities)	3 461.2	3 377.9	3 141.2
Provisions for insurance and investment contracts (net)	31 662.3	30 125.5	29 814.5
Investments	36 466.5	34 839.0	34 394.1
of which Group financial assets and investment property	34 569.0	32 978.0	32 516.9
Ratios			
Return on equity annualised[2]	8.9%	8.6%	10.4%
Combined ratio (gross)	90.6%	94.3%	88.9%
Combined ratio (net)	93.1%	95.6%	92.5%
Direct yield annualised	2.9%	2.9%	3.0%
Investment performance	2.3%	3.6%	1.0%
Solvency I	224%	221%	217%

[1] The previous methodology to cover large claims incurred but not yet reported has been replaced. The prior-year figures have been adjusted accordingly.

[2] 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).

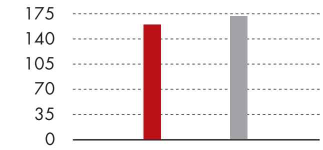
Business volume

in CHF million



Profit

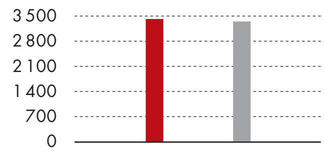
in CHF million



■ 30.6.2012 ■ 30.6.2011

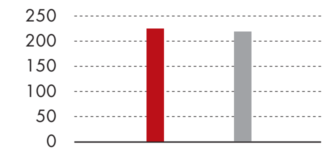
Equity

in CHF million



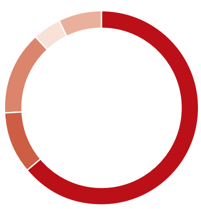
Solvency I

in %



■ 30.6.2012 ■ 31.12.2011

Business volume



in CHF million	Growth % currency adjusted	30.6.2012
Switzerland	–1.1	2 894.1
Germany	2.8	475.4
Italy	–0.9	626.2
Spain	–3.1	210.8
Other insurance units	0.0	321.4
Total	**–0.7**	**4 527.9**

Important dates

11 March 2013	Publication of financial result for 2012
19 April 2013	Ordinary Shareholders' Meeting in St. Gallen
2 September 2013	Publication of half-year financial result for 2013

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