St. Gallen, 2 September 2013

Media release

Helvetia Group grows and boosts profit

Helvetia Group increased its business volume 4.7 per cent to CHF 4,775.0 million in the first half-year. Profit came in at CHF 179.4 million, or 13.4 per cent higher than the previous year. This impressive half-year result highlights the Group's strong performance in what remains a very challenging economic environment. Thanks to its highly diversified business portfolio and solid capital base, Helvetia will be able to continue to press ahead with its growth strategy.

The most important key figures for the first half of 2013 in summary:

- **Business volume: CHF 4,775.0 million** (1st half of 2012: CHF 4,527.9 million; + 4.7 per cent in original currency)
- **Net income after tax: CHF 179.4 million** (1st half of 2012: CHF 158.2 million; + 13.4 per cent[1])
- **Solvency I: 210 per cent** (31 December 2012: 227 per cent[1])
- **Standard and Poor's rating upgrade: "A"** (previous year: "A-")
- **Other key figures are listed in the appendix**

Helvetia succeeded in combining a healthy growth rate of 4.7 per cent in the original currency (or 5.5 per cent in CHF) with a profit increase of 13.4 per cent, thanks in part to its well-diversified portfolio and solid capitalisation. The profit for the period of CHF 179.4 million emphasises the Group's positive development. Not only did its Swiss home market remain strong with CHF 111.2 million in profit (+7.4 per cent), but foreign markets also put in a convincing performance despite the challenging economic climate in Europe. The business portfolio proved its value again in the first half of 2013 and enabled Helvetia to achieve excellent actuarial results in the life and non-life businesses. The combined ratio in the non-life business was 94.9 per cent (previous year: 93.7 per cent[2]) and thus within the Group's defined target corridor of 94 to 96 per cent. Causes for the year-to-year rise include acquisition-related increases in the cost ratio and temporary declines in volume resulting from portfolio optimisations in key country markets. The claims ratio remained unchanged at the previous year's level despite an increase in bad weatherclaims. The new business margin in the life business is 1.4 per cent (previous year: 0.9 per cent), which is within the target corridor.

[1] Data from the first half of 2012 was adjusted following changes to the accounting policies.
[2] The previous year's cost ratio and combined ratio were restated on the basis of the revised IAS 19 and adjusted to reflect the modified allocation of fixed costs.

Good business performance

The increase in business volume by 4.7 per cent to CHF 4,775.0 million was largely driven by factors in the life business in Switzerland, Germany and Austria. All of these markets exhibited strong growth, in some cases considerably above the market. Only Italy saw a decline in business volume. The decline was mainly caused by the January 2013 renewal and slight modification of the distribution agreement with Banco di Desio. In this area, our long-term strategy is to improve profitability by instituting a more balanced product mix and to control our exposure to Italian government bonds more actively. In the non-life segment, the transport insurance sector showed striking growth following the acquisition of the portfolio of Gan Eurocourtage in France, a subsidiary of Groupama SA. This was the first time that the portfolio had been consolidated for a full half-year. While Helvetia increased gross premium income in the non-life business in Switzerland and Austria, this income category declined in Italy and Spain due to the recessions in these countries. To improve earnings, Helvetia deliberately avoided low-margin business in Germany and Italy and reduced its business volume as planned. This programme, instituted in 2012 to reduce risks and strengthen profitability, is already paying off, especially in Germany.

Strong investment earnings and solid capitalisation

Financial markets remained deeply affected by the eurozone crisis and the low-interest environment in the first half of 2013. Stock markets benefited the most from the aggressive monetary policy of central banks. By relying on a proven investment strategy, Helvetia achieved a favourable investment result totalling CHF 599.5 million (previous year: CHF 543.2 million). The higher investment volume – associated with an increase in regular income – offset a slight decline in the annualised direct yield to 2.8 per cent (previous year: 2.9 per cent) attributable to persistently low interest rates. Helvetia remains well capitalised with a Solvency I ratio at 210 per cent and its solvency ratio under the newer Swiss Solvency Test at between 150 to 200 per cent. On 2 May 2013, the rating agency Standard & Poor's (S&P), upgraded Helvetia Group's rating from "A-" to "A". The upgrade was attributed to Helvetia's sustainable earnings, improved competitive position and strong capitalisation. The improved rating reflects the Group's orientation towards long-term profitable growth along with a focus on sound capitalisation.

Stefan Loacker, CEO of Helvetia Group, notes: "Once again, Helvetia achieved profitable growth and raised its profit and premium volume further. We are confident that we are ready for the future and will continue to strengthen our competitive position in our markets."

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. A web replay of the analysts' meeting will be available on www.helvetia.com 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-hy 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 333.1 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

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The purpose of this document is to inform the shareholders of Helvetia Group and the public about business operations in the first half of 2013. 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 30.6.2013

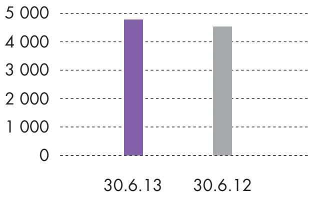
	30.6.2013	31.12.2012	30.6.2012
Key share data Helvetia Holding AG			
Group profit for the period per share in CHF	19.5	37.1	16.9
Consolidated equity per share in CHF	413.7	435.4	392.5
Price of Helvetia registered shares at the reporting date in CHF	381.5	346.5	286.0
Market capitalisation at the reporting date in CHF million	3 301.1	2 998.2	2 474.7
Number of shares issued	8 652 875	8 652 875	8 652 875
in CHF million			
Business volume			
Gross premiums life	3 025.4	4 201.4	2 840.0
Deposits received life	71.9	149.8	85.1
Gross premiums non-life	1 585.3	2 412.4	1 490.8
Assumed reinsurance	92.4	214.9	112.0
Business volume	4 775.0	6 978.5	4 527.9
Key performance figures			
Result life	71.3	138.2	65.7
Result non-life	75.0	172.9	80.4
Result other activities	33.1	22.0	12.1
Group profit for the period after tax	179.4	333.1	158.2
Investment result	629.1	1 315.3	593.4
of which investment result from Group financial assets and investment property	599.5	1 177.8	543.2
Key balance sheet figures			
Consolidated equity (without preferred securities)	3 561.4	3 750.2	3 380.2
Provisions for insurance and investment contracts (net)	34 221.6	32 765.7	31 628.4
Investments	39 181.7	37 733.2	36 466.5
of which Group financial assets and investment property	37 140.0	35 729.2	34 569.0
Ratios			
Return on equity annualised [1]	9.2%	9.1%	8.8%
Combined ratio (gross)	90.1%	91.1% [2]	91.1% [2]
Combined ratio (net)	94.9%	93.7% [2]	93.7% [2]
Direct yield annualised	2.8%	2.8%	2.9%
Investment performance	0.3%	5.5%	2.3%
Solvency I	210%	227%	220%

1 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).

2 Previous year's cost ratio restated due to application of amended IAS 19 and adjusted as a result of revised allocation of structural costs, which was not made until the second half of the previous year.

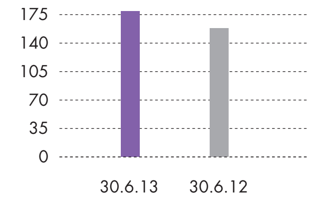
Business volume

in CHF million



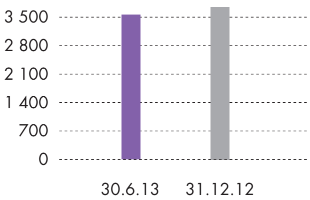
Profit

in CHF million



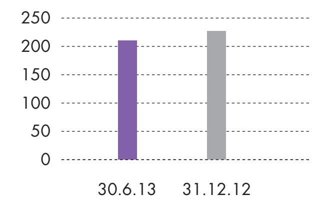
Equity

in CHF million

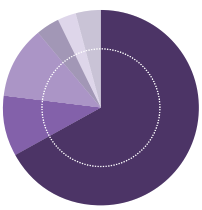


Solvency I

in %



Business volume by business unit



in CHF million	30.6.2013	Growth % currency adjusted
Switzerland	3 119.0	7.8
Germany	474.1	–2.4
Italy	542.9	–15.1
Spain	212.2	–1.4
Austria	161.4	5.7
France	173.0	182.7
Total	**4 682.6**	**5.3**

Important dates

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

helvetia